

# User's Guide

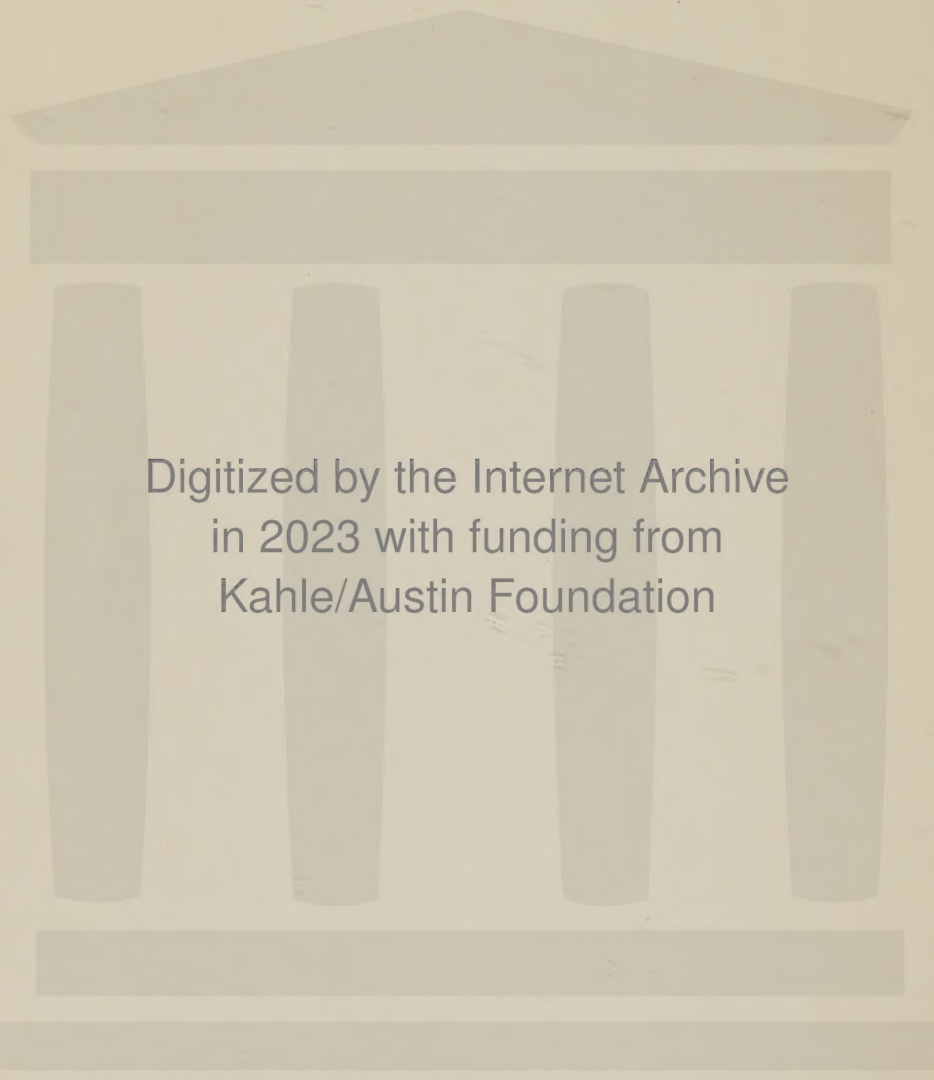
**Financial  
Planner**

**Quicken  
Deluxe 98**

# **Quicken<sup>®</sup> suite 98**

**Family  
Lawyer  
Deluxe**

**Windows<sup>®</sup>**



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# Quicken 98

## Quicken Suite User's Guide

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“How do I get started?”




Whether you are already familiar with Quicken or this is the first time you've ever used the program, this book has something for you.

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Most of this book is about Quicken Deluxe 98, since you'll probably use it more frequently than Quicken Financial Planner or Quicken Family Lawyer Deluxe. We've focused on some of the most common financial goals, like saving time and saving money, reducing debt, reducing taxes, and funding retirement, and shown how to use Quicken's features to accomplish these goals. You'll also find helpful advice, examples, and explanations.





**W**e've found that most Quicken customers are familiar with the check register, can reconcile their accounts, and enter their investments. It can be a challenge, however, to find and use all of Quicken's many features and understand how they work together. We hope this book helps you discover new features and new time savers, and attain greater satisfaction using Quicken.

If you are new to Quicken Family Lawyer Deluxe or Quicken Financial Planner, this book can get you started with them, too.

## **Using this book**

We've taken a new approach with this book. We've organized Quicken features and programs together in different ways to show you how you might use them to achieve a particular financial goal, like funding your retirement or buying a home.

Rather than simply providing the steps for creating a net worth report, we give you the context for creating one as well. For instance, if you're thinking about buying a house, you need to create a net worth report to see how much of a down payment you can make. We give you some background information for financial decisions and explain how to use Quicken tools to reach your goal.

## **System requirements and installing**

Quicken Suite comes with three CD-ROMs. In order to use the programs, you need:

- 100% IBM compatible 486 or higher PC
- Windows 95, 3.1, or NT 4
- 8 MB RAM minimum (16 recommended)



- Full installation of all three CDs requires 110 MB of hard disk space. A typical installation is approximately 75 MB.
- Double speed CD-ROM drive or faster
- Sound board and speakers recommended
- 256 color VGA monitor, SVGA recommended
- Works with any printer supported by Windows
- 14,400 or higher baud modem required to use online features

### Where are the instructions?

Installation instructions for each product are on the CD-ROM jacket. You install each product separately.

### Do you have a question?

Quicken has onscreen EasyStep programs to get you up and running. Although this book has few step-by-step procedures, you'll get a head start on using a feature and plenty of references to Quicken's onscreen Help and other learning tools to keep you on track.

In addition to this book, there is an onscreen Quicken User's Guide. Not only does it help you learn to use Quicken, but it provides ideas for using Quicken features in special situations and links you directly to the step-by-step instructions in Help.

Many learning tools contain audio and video to make learning more interesting.

Quicken Financial Planner and Quicken Family Lawyer Deluxe are also very easy to use. Both also have onscreen Help for guidance and advice.

### Note

Internet access is required for all online transactions, including online banking and bill payment. Quicken Suite 98 includes all software required.





“How can I  
save time?”



Quicken has features that can help reduce your data entry to almost nothing.

---

Take a tour of Quicken's best time savers. In this chapter, you'll find a description of how to get started with online banking and online investment tracking, download your credit card statement, schedule transactions (which Quicken enters in your register automatically), and how to use other great time-saving features.

**T**ony has been using Quicken for several years. He uses the register and categorizes his transactions so he can create reports. He upgrades regularly, but hasn't really investigated the new time-saving features or even the quick little tricks that streamline entering transactions and tracking his money.

If you are like Tony, and want a quick refresher course in some Quicken features (new and old), review these next few pages.

## **Speed up your bill paying**

Chances are, the bills you need to pay each month don't all arrive in your mailbox on the same day. These bills trickle in and you try to pay each one in a timely fashion. To save time and effort, you can have Quicken schedule these transactions.

### **Scheduling transactions**

When you schedule a transaction, you enter the details of the bill and tell Quicken:

- When to make the next payment
- How often to make future payments

You can pay a scheduled transaction with a handwritten check, a printed check, an online payment, or a direct withdrawal (which you set up with your biller or bank). You can schedule a transaction even if your payment amount varies from month to month. Unless you have set up an online repeating payment or a direct withdrawal, you must still pay the bill yourself each time.

### **To schedule a transaction**

Point to the Bills icon and choose Schedule a Future Payment. In the Financial Calendar's Transaction list, drag the transaction you want to schedule to a date on the calendar. Or drag "Use this for a NEW one!" if you are entering a new transaction.



Quicken reminds you to pay your bills

Quicken has two ways of reminding you about recurring transactions. These reminders are handy and can save time

**Reminders window** Quicken displays this window automatically when you start Quicken and you have upcoming bills to pay, checks to print, alerts about an account balance or limit, and other financial matters to handle. Quicken also lets you know if you have scheduled transactions due.

**Billminder™** When you start Windows, this feature reminds you of bills to pay, online payments to send, investment actions to take, and other activities.

| To learn about...  | Search the Help Index for...         |
|--|--------------------------------------|
| Financial Calendar   | Financial Calendar, using            |
| scheduled transaction  | scheduled transactions, using        |
| paying your credit card bill   | credit accounts, entering payments   |
| creating a group of scheduled transactions                               | transaction groups, using            |
| automating regular payments  | scheduled transactions, paying early |
| adding notes to the Financial Calendar                                   | Financial Calendar, adding notes     |
| seeing reminders when you start Quicken                                  | reminders, using                     |
| seeing reminders when you start Windows                                  | Billminder, starting and stopping    |
| setting thresholds for credit limits, stock prices, and account balances | Alerts, using                        |

To set up an alert

Point to the bills icon and choose Alert Me of Upcoming Events.

You can set up Alerts to let you know when you've reached a credit card limit, a stock you track has reached a certain price, an important tax date is coming up, and other events.

For more details about Alerts, see "Have Quicken alert you to upcoming events" on page 18.

## Quicken remembers what you enter

Let's say you entered a payment to your local newspaper, *The Tribune*. Next month, when you enter the first few letters of *The Tribune* in the register, Quicken recalls your previous transaction and automatically enters all the information. You can change any of the data Quicken enters, if you need to, and then record the transaction. These are called *memorized transactions*.

### To trim your Memorized Transaction list

From the Lists menu, choose Memorized Transaction. To delete a memorized transaction, select it on the list and then click Delete.

Remember, deleting a memorized transaction from this list doesn't remove it from any of your Quicken registers. It just won't appear any longer on the drop-down list of transactions to choose from.

You can set options so that Quicken memorizes and recalls transactions in a way that works for you.

Quicken adds to the memorized transactions list whenever you enter a transaction with a new payee. Sometimes your memorized transaction list gets very long and unwieldy. You may want to trim some transactions on the list to improve performance. For instance, you might have 15 or 20 transactions to payees beginning with the letter "T," but you may only need to pay one or two of these payees on a regular basis. Clean out those entries you use infrequently. You'll end up typing fewer characters to get what you really want.

| To learn about...   | Search the Help Index for...    |
|---|---------------------------------|
| memorized transactions  | memorized transactions, using   |
| the Memorized Transaction list  | lists, memorized transaction    |
| keeping the amount from changing when you use a memorized transaction | memorized transactions, locking |

### Stop writing all those checks and deposit slips

- Arrange with billers or merchants to have payments deducted from your bank account automatically. For example, you may be able to arrange to have payments for your phone bill, electric bill, or newspaper deducted directly from your checking account using an automatic



payment service. Check with your utility company and other service companies for details.

- Have your paycheck deposited directly into your bank account. Many employers offer this service. Also, many banks provide services for free (like free checking) if you use direct deposit.

## Make all your payments online

You can save a lot of time by using the online payment service. You can avoid stuffing envelopes, licking stamps, or possibly forgetting to mail a bill payment. Instead, you create and send online payment instructions in Quicken's Online Financial Services Center.

Enter your payment information here, just like writing a check. Then click Update/Send to send your payment instructions for processing.

The payments status list helps you track the payment instructions you've created and sent.

| Status   | Date    | Payee               | Amount |
|----------|---------|---------------------|--------|
| Not Sent | 8/15/97 | Auto Loans Inc.     | 335.00 |
| Not Sent | 8/15/97 | Northtown Gas & El. | 34.00  |

The online payment service can make your bill paying faster and easier in many everyday situations.

- Do you pay most of your bills once a month? Do you ever misplace one of those bills because they trickle in on various days? You can set up online payment instructions on the day you get the bill (so you don't forget about it) and the payment will be delivered on the future date that you specify.

## To get started using online payment

Point to the Online icon and choose Get Started with Online Financial Services. Click Financial Institutions to see if your particular financial institution offers this service. If it does, you can apply right away, either over the Internet or by phone.

If your financial institution doesn't offer the online financial services through Quicken, you can use any U.S. banking account with check-writing privileges and apply to use the Intuit Online Payment service.

When your application is accepted, your financial institution will send you a PIN and specific information for enabling your Quicken accounts to use the service.

- Do you have a car loan? Are you going to be making the same payment at the same time every month for the next few years? You can create repeating online payment instructions to make the same payment, at the same interval, for as long as you like. You never need to write another check or send another payment instruction for that car loan.

You apply for service with your financial institution, then enable your Quicken accounts to use it. You can apply at multiple financial institutions and use multiple accounts with this service.

| To learn more about...                  | Search the Help Index for...  |
|---|-------------------------------|
| fees and services                       | financial institutions        |
| online payment tasks                    | online payments               |
| Intuit Online Payment service           | Intuit Online Payment service |
| security for your financial information | online payments, security     |
| other online financial services         | online financial services     |

## Review your latest bills online in Quicken

If you're frequently on the road, it can be difficult to track your bills as they get delivered to your home. Intuit provides a free online billing service (except for regular Internet charges) that allows you to view your bills directly within Quicken over the Internet. You can see and pay your bills even when you're out of town. You can review your statements, then select and make full or partial payments using any of the payment methods available through Quicken.

Many billers do not yet provide this service to their customers. However, over time, more and more billers will be available in this service through Quicken. Check frequently to see

if your billers provide this service to you. To get started, point to the Bills icon and choose Get My Bills Online.

**Note:** This service does not necessarily replace the paper bills you receive in the mail. However, it does give you the ability to get your bills day or night over the Internet and reduces data entry.

## Automate your banking activities

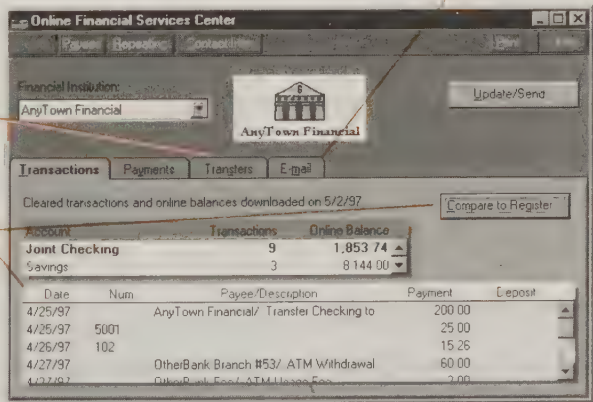
Do you use your ATM or credit card for almost every purchase you make? Are your Quicken account registers out of date because you don't have the time to manually type in all those purchases or ATM transactions? You can let Quicken do all that work for you. Use the online account access service to save all that data-entry time by accessing your up-to-date account information online; then automatically add it to your Quicken account registers.

The online account access service is offered through Quicken in conjunction with a variety of financial institutions. You can use it with checking, savings, money market, and credit or charge card accounts. And you do all your banking activities in one location, the Online Financial Services Center.

Transfer money between two online accounts. Just click the Transfers tab, enter your transfer, then click Update/Send to have it processed.

View all your downloaded transactions here. Then add them to your register by clicking Compare to Register.

You can even send e-mail to your financial institution.





## **To get started using online account access**

Point to the Online icon and choose Get Started with Online Financial Services. Click Financial Institutions to see if your particular financial institution offers this service. If it does, you can apply right away, either over the Internet or by phone. When your application is accepted, you'll receive a PIN and specific information for enabling your Quicken accounts to use the service.

You apply for service with your financial institution, and then enable your Quicken accounts to use it. You can apply at multiple financial institutions and use multiple accounts with this service.

### **Download your latest account information**

Connect through the Internet to download your latest cleared transactions and online balances from your financial institution (usually from the previous business day). Security features include state-of-the-art encryption and a PIN that you choose to access your account information.

### **Compare downloaded transactions**

After downloading your transactions, compare them to those you've entered in your account register. Quicken automatically matches the cleared transactions to those you've already entered and notes new transactions that you can use to update your register. This comparing and matching process also makes reconciling a breeze; when you're ready to reconcile the account, the cleared transactions have already been checked off. There's hardly any work left for you to do.

### **Speed up your entry of all those credit card transactions**

You can use these same downloading and comparing capabilities to handle all your credit card transactions. You don't need to type in any of these transactions. Just review them all when your download is complete, then accept all of them into your register in one easy step. In most cases, Quicken adds the merchant names and categories for you. Quicken even reminds you to pay your credit card bill when it's due!

### **Transfer money online**

Transfer money between two online accounts at the same financial institution, even between checking and credit card accounts (if your financial institution allows this transaction).

## Send e-mail to your financial institution

Do you have a question about your account? You don't need to call and get put on hold. Just send your financial institution an e-mail message through the Online Financial Services Center (if this service is offered by your financial institution).

| To learn more about...                                    | Search the Help Index for...    |
|---|---------------------------------|
| fees and services   | financial institutions          |
| online account access tasks                               | online account access           |
| using your Quicken Credit Card with online account access | Quicken Credit Card             |
| security for your financial information                   | online account access, security |
| contacting your financial institution                     | financial institutions          |
| other online financial services                           | online financial services       |

## Track your earnings and investments

### Track your investment account information online

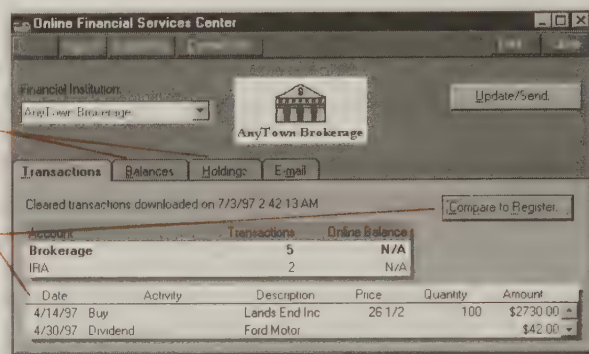
If you have many investments to track, it's difficult to know how they are performing when you only get a statement once a month. It can also take quite a bit of time to enter the details for all the related transactions. To save time and to keep current on your investment performances, let Quicken do all that work for you. Use the online investment tracking service to save all that data-entry time by accessing your up-to-date account information online. Then automatically add it to your Quicken investment account registers.

The online investment tracking service is offered through Quicken in conjunction with a variety of brokerage firms and

mutual fund companies. You do all your investment activities in one location, the Online Financial Services Center.

View your balances and holdings by clicking on these tabs.

View all your downloaded transactions here. Then click Compare to Register to update your Quicken investment account register.



## To get started using online investment tracking

Point to the Online icon and choose Get Started with Online Financial Services. Click Financial Institutions to see if your brokerage firm offers this service. If it does, you can apply right away, either over the Internet or by phone. When your application is accepted, your financial institution will send you a PIN and specific information for enabling your Quicken accounts to use the service.

You apply for service with your financial institution, then enable your Quicken accounts to use it. You can apply at multiple financial institutions using multiple accounts.

- First, connect through the Internet to download your latest investment transactions, account balances, and holdings from your financial institution (usually from the previous business day). Security is provided by state-of-the-art encryption and a PIN that you specify to access your account information.
- After downloading your transactions, compare them to those you've entered in your account register. Quicken automatically matches the cleared transactions to those you've already entered and notes new transactions that you can use to update your register. If a transaction is a "near-match," you can correct it.
- If your financial institution allows checking privileges with your investment account, automatically download your checking transactions at the same time that you download investment transactions.
- Trade directly with your financial institution using links to their Web site from within the Online Center.



## To learn more about...

fees and services

online investment tracking tasks

security for your financial information

other online financial services

## Search the Help Index for...

financial institutions

online investment tracking

online investment tracking, security

online financial services

## Enter your paycheck

If you'd like to track the deductions from your paycheck (such as taxes, flexible spending plans, 401(k) contributions, and so on), take a look at Quicken's new EasyStep Paycheck feature. You can track all or just some of the deductions.

Once you've set up your paycheck, you can have Quicken enter it in your register automatically at the interval you set (weekly, every other week, monthly, and so on).

## To set up your paycheck

Point to the My Accounts icon and choose Set up My Paycheck.

**Paycheck Setup**

Welcome EasyStep Summary

Enter the standard tax deductions taken out of your paycheck.

| Tax                | Category  | Amount |
|--------------------|-----------|--------|
| Federal Income Tax | Tax Fed   | 397.95 |
| State Income Tax   | Tax State | 115.07 |

Split Transaction Window

Use this window to itemize the transaction, and get more details.

| Category       | Memo | Amount   |
|----------------|------|----------|
| 1 Salary       |      | 1,900.30 |
| 2 Tax Fed      |      | -397.95  |
| 3 Tax State    |      | -115.07  |
| 4 Tax Soc Sec  |      | -112.48  |
| 5 Tax Medicare |      | -26.40   |
| 6 Tax          |      | -14.03   |
| 7 Investment   |      | 1,811.11 |
| 8 Investment   |      | -100.00  |
| 9              |      |          |
| 10             |      |          |
| 11             |      |          |
| 12             |      |          |
| 13             |      |          |
| 14             |      |          |
| 15             |      |          |

Split Total: 1,034.17  
Remainder: 0.00  
Transaction Total: 1,034.17

Hint: If there is some amount leftover, use the adjust button to get rid of it ->

Enter all the information you'd like to track in the EasyStep Paycheck windows.

Then Quicken creates a split transaction in your checking register. You can have Quicken enter it for you automatically on payday.

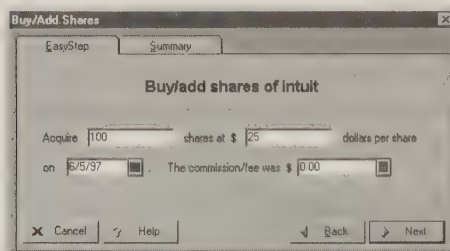
Of course, you can easily edit this transaction if the amounts change.

## Track your 401(k)

Quicken's new EasyStep 401(k) tool helps you set up and track your 401(k). You can follow the value and performance of your 401(k) accounts to make sure you are on track for a comfortable retirement. For details about this feature and information about retirement accounts, see "Contribute to retirement accounts" on page 37.

## Use transaction forms for investments

Entering investment transactions is easy and fast when you use Easy Actions forms. You just bought 100 shares of Intuit stock. To record this transaction, open your investment register and click EasyActions. Chooses Buy/Add Shares to enter your purchase.



Quicken's EasyActions forms step you through the action you are taking: buying, selling, reinvesting, transferring cash in or out of the account, and so on.

## Organize your life (keep important information at your fingertips)

### Know where your records and policies are located

Use Emergency Records Organizer as a central place to store all the important information about you, your family, and your home. Enter information into major areas, like emergency information, personal and legal documents, home/auto/property, and so on. You don't have to think of all the bits of information you'd like to organize and record; Quicken provides comprehensive lists of items that you simply fill in. Fill in as much or as little as you find useful.

### To start Emergency Records Organizer

Point to the Planning icon and choose Organize Emergency Records.

You can create reports that include just a subset of the information, such as an emergency situation report that would be given to a spouse, attorney, or next of kin at the time of an emergency or death. You'll find the reports useful to give your baby-sitter, your lawyer, or your spouse. You can also create a complete report that lists all the details you've entered in the Emergency Records Organizer.

To get started, enter information about yourself and then your family members. Next, enter any legal documents, followed by whatever information is of priority to you.

To record information about you and your family:

Select an area from the drop-down list.

Select a topic.

Enter the information.

Emergency Records Organizer

production Create/Update Records Report

1 Select an area

2 Select a topic

3 Enter Safe Deposit Box records

New Record

Institution: Villa Bank

Address: 123 First St  
Mountain View, CA

Contact: MaryAnn

Phone: 415 555-1212

Box number: A10345

Persons allowed access: MaryAnn  
Rod

Location of key: Rod's key ring

Contents: pink slip for minivan  
stock certificates

OK Delete

Enter the information about a document as soon as you receive it (or change something in it); make updating your records part of the process so that you're not really "done" until you've entered the information in Quicken.

In an emergency, you'll have immediate access to the information and the location of documents you need. Not only will this feature save you time, it may reduce your stress as well.

#### TIP

Don't forget to back up your Quicken data regularly and store a backup copy outside your home.



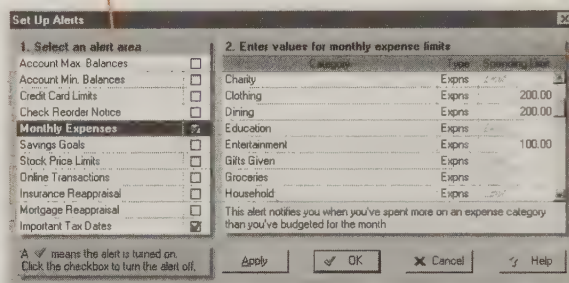
## To set up Alerts

Point to the Bills icon and choose Alert Me of Upcoming Events. Select the alerts you'd like to set up.

## Have Quicken alert you to upcoming events

You can have Quicken let you know when you are about to reach a limit (like your checking account balance is close to the minimum amount) or inform you of an upcoming event (such as a tax filing date is near).

You can set alerts in any of these areas.



You can have Quicken let you know when you've reached a spending limit on any category you select here.

## To start Financial Address Book

From the Lists menu, choose Track Important Addresses.

Addresses you've already entered in Quicken (at the Write Checks screen or for online payments) are added to Financial Address Book automatically.

## Keep important addresses in one place

Financial Address Book is a great tool for organizing and storing the addresses you need when you're paying bills or doing other financial chores.

Financial Address Book creates a central list of addresses that you can sort, search, group, and print. You can add addresses of friends, family members, business associates, and clients.

# “Where did all of our money go?”



You work hard for your money, so you should have a clear idea of where it goes each month. What's the first step?

---

Take a look at the big picture. You may have a vague idea of where you stand financially— perhaps you have that sinking feeling that you're spending more than you're taking in each month. Knowing the details can really open your eyes. We all have goals and dreams, but if our spending habits are taking us down a different path, we need to change course.

**F**iguring out your net worth is a good start. Basically, your net worth is the value of all the items you own (your assets) minus the amount you owe (your liabilities). What's left is your net worth. Here's an analogy: "If I were to die today and have all my assets sold for cash and my debts paid with that cash, what would be left?" That's your net worth.

Taking a look at your net worth can help you figure out:

- How much you have to start with. Once you've set a financial goal, knowing where you started can help you keep on track and assess your progress.
- How much debt you've accumulated.
- How quickly (or slowly) your savings and investments are growing.
- How easily you could handle a sudden financial blow like expensive roof repairs or a new transmission for your car.

**Example.** Jody and Bill are new to Quicken. They've entered last month's checks in their Quicken checking account register, assigning categories to their transactions. What's the minimum information they need for a ballpark net worth report?

### Counting up your assets

#### To set up an asset account

Point to the Accounts icon and choose Create a New Account. Choose Asset as the account type and then fill in the information about your home or other asset.

In Quicken you track your assets in checking, savings, cash, money market, and asset accounts. Jody and Bill should set up:

- A separate Quicken account for each real-world account. For example, a savings account to track the money they've stashed away in savings, a checking account, and so on.
- An asset account to track the equity in their home. Jody and Bill can use this asset account to track home improvements. These improvements become part of the



cost basis of their home and reduce the amount of profit they are taxed on. (At press time, a bill pending in Congress may change this law. Check with your tax advisor.)

For more details on tracking home expenses, see "Can we afford a new home?" on page 47.

Jody and Bill's asset account, called "our house," shows the current value of their home, including improvements.

| Date                   | Ref | Payee / Category / Memo                    | Decrease | Clr | Increase   | Balance    |
|------------------------|-----|--|----------|-----|------------|------------|
| 5/6/97                 |     | Opening Balance<br>[our house]             |          |     | 250,000.00 | 250,000.00 |
| 5/7/97                 |     | Del Greco Construction<br>[Joint checking] | 6,387.75 |     |            | 256,387.75 |
| <b>Ending Balance:</b> |     |  |          |     |            | 256,387.75 |

This transaction is a transfer from Jody and Bill's joint checking account.

#### ■ An investment account to track Jody's 401(k).

Quicken's new EasyStep helps you set up and track the value and performance of your 401(k). For details about 401(k)s and tracking them in Quicken, see "Contribute to retirement accounts" on page 37.

To track other types of investments, Quicken has two options:

- To track just the value of your investments, set up an asset account. For example, asset accounts are ideal for tracking CDs, Treasury bills, and fixed annuities.
- To track not only the value but also the performance of your investments other than your 401(k), set up an investment account.

For details on tracking investments, see "Updating security prices and market news" on page 83.

**To set up and track your 401(k)**

Point to the Investments icon and choose Track My 401(k).

## To create a new account

Point to the My Accounts icon and choose Create a New Account. Follow the onscreen instructions for creating an asset or liability account.

## To create a net worth report

Point to the Reports icon and choose Show Me a Graph or Report of My Finances. Then choose What am I worth?

**Net Worth Report**  
QUICKEN 2008 2-01-08 10:00 AM  
 AS 11/06/07

| Acct                           | 10/07 Balance     |
|--------------------------------|-------------------|
| <b>TOTAL Other Assets</b>      | <b>250,000.00</b> |
| Investments<br>Jody 401(k)     | 10,000.00         |
| <b>TOTAL Investments</b>       | <b>10,000.00</b>  |
| <b>TOTAL ASSETS</b>            | <b>270,000.00</b> |
| <b>LIABILITIES</b>             |                   |
| Credit Cards                   |                   |
| Bill's Amex                    | 1,000.00          |
| Villa gold card                | 2,400.00          |
| <b>TOTAL Credit Cards</b>      | <b>3,400.00</b>   |
| Other Liabilities              |                   |
| house loan                     | 200,000.00        |
| minivan                        | 1,000.00          |
| <b>TOTAL Other Liabilities</b> | <b>201,000.00</b> |
| <b>TOTAL LIABILITIES</b>       | <b>204,400.00</b> |
| <b>OVERALL TOTAL</b>           | <b>65,600.00</b>  |

If you want to exclude an account from your net worth report, click Customize on the Report button bar. Then select the Account tab and click the account name to remove the account from the report.

## Identifying your liabilities

In Quicken you track your debts in credit card and liability accounts. Jody and Bill should set up:

- Separate credit card accounts for their two credit cards.  
Credit card debt is a liability when you are calculating net worth.
- Separate liability accounts to track:
  - how much they owe on their mortgage.
  - how much they owe on their minivan.

To know the actual value of what you own and what you owe, set up a pair of accounts, an asset account to track the value of your asset (for example your van is \$12,000) and a liability account to track your debt (let's say you still owe \$4,000). The difference between what you own and what you owe is \$8,000.

| To learn about...                     | Search the Help Index for... |
|---------------------------------------|------------------------------|
| Quicken accounts                      | accounts, using              |
| how many accounts you need            | accounts, about              |
| when to use an investment account     | investment accounts          |
| updating asset and liability accounts | assets, updating balance     |

## Figuring your net worth

Quicken calculates net worth by adding the balance of your checking, savings, cash, asset and investment accounts and then subtracting the balances of your credit card and liability accounts from this amount.

**TIP**

Look carefully at the assets you include in your net worth. If you wouldn't sell your car or your grandmother's silverware to get cash quickly, don't include these in your net worth. However, you do need to know their value so you can keep them properly insured.

On the other hand, if you have an asset that you consider part of your net worth, but haven't entered it in Quicken, do create a "summary" asset account so that Quicken includes it in your net worth calculation.

## Checking your cash flow

Are you surprised at the total on your net worth report? Do you want to dig a little deeper and see where your money goes each month?

Jody and Bill have entered one month's worth of expenses. Here's a report on their cash flow.

**Cash Flow Report**  
1/1/97 Through 5/9/97

| Category Description   | 1/1/97<br>5/9/97 |
|------------------------|------------------|
| <b>INFLOWS</b>         |                  |
| Salary                 | 1,300.00         |
| <b>TOTAL INFLOWS</b>   | 1,300.00         |
| <b>OUTFLOWS</b>        |                  |
| childcare              | 100.00           |
| Clothing               | 150.87           |
| Dining                 | 42.45            |
| Groceries              | 27.58            |
| Household              | 33.08            |
| Medical                |                  |
| Doctor                 | 75.00            |
| <b>TOTAL Medical</b>   | 75.00            |
| Utilities:             |                  |
| Gas & Electric         | 54.00            |
| Telephone              | 21.00            |
| <b>TOTAL Utilities</b> | 75.00            |
| <b>TOTAL OUTFLOWS</b>  | 1,083.93         |
| <b>OVERALL TOTAL</b>   | 236.07           |

Jody and Bill assign categories to all their transactions. The outflows section shows expenses by category.

## To create a cash flow report

Point to the Reports icon and choose Show Me a Graph or Report of My Finances. Then choose Where did I spend my money?

Your net worth is a snapshot of an instant in time. Cash flow, on the other hand, covers a period of time, not just an instant. Once you've entered a few months of transactions, you may want to look for patterns in your spending, the "flow."

Jody and Bill wanted to take a look at how much they were spending on dining. Quicken creates a category report that

## To create a report on a category

In your register, select a transaction with the category you want to report on (in this case, it's Dining). Click the Report button on the register button bar and choose Amount Spent on Dining.



displays all the transactions assigned to the Dining category.

| Category Report       |      |                |                        |          |     |         |
|-----------------------|------|----------------|------------------------|----------|-----|---------|
| 1/1/97 Through 6/7/97 |      |                |                        |          |     |         |
| Date                  | Num  | Description    | Memo                   | Category | Clr | Amount  |
| 4/28/97               | 4715 | Greens         |                        | Dining   |     | -       |
| 4/30/97               | 4716 | Clown Pizza    | Sally's birthday party | Dining   |     | -       |
| 5/1/97                | 4717 | Pasta Pizzeria |                        | Dining   |     | -       |
| 5/3/97                | 4810 | Pacific Edge   | anniversary dinner     | Dining   |     | -       |
| 5/6/97                | 4819 | Pete's deli    | business lunch         | Dining   |     | -       |
| TOTAL 1/1/97 - 5/7/97 |      |                |                        |          |     | -226.57 |
| TOTAL INFLOWS         |      |                |                        |          |     | 0.00    |
| TOTAL OUTFLOWS        |      |                |                        |          |     | -226.57 |
| NET TOTAL             |      |                |                        |          |     | -226.57 |

## To get EasyAnswer reports

Point to the Report icon and then choose Show Me a Graph or Report of My Finances.

Take a look at Quicken's other Easy Answer reports. In a couple of mouse clicks, you'll know what your investments are worth, see if your spending has changed, or find out if you are saving more or less than you used to. Run one of these reports anytime you want a snapshot of how you are doing.

## Are you covering the bases?

### Emergency reserves

Your net worth report includes all assets and liabilities. You also should check that you have enough put aside for an emergency cushion to cover unexpected expenses. You should have an emergency reserve of at least three months of living expenses. Create another net worth report, but this time only include the accounts that contain liquid assets, which can be cashed in, (like a money market fund account, checking and savings accounts) and shorter-term liabilities (like a car loan).

When your income changes or is at risk, you need greater reserves. If you don't have family or friends you can turn to for financial help, plan on putting aside six months worth of earnings in an emergency reserve fund. Keep the reserve in a liquid account that you can access without penalty.

## To create a customized net worth report

Point to the Reports icon and choose Show Me a Graph or Report of My Finances. Then choose What am I worth? In the Report window, click Customize. Then click the Accounts tab in the Customize Net Worth Report window. Select the account that contain your liquid assets and short term debts.

Memorize the report and name it something like "liquid assets."

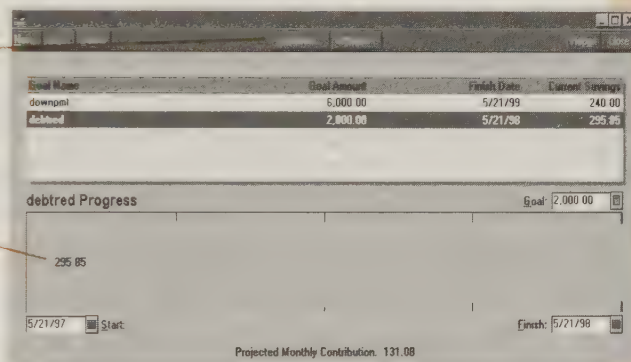
To estimate how much you need, create a budget for the period you want to cover. When you create a new budget, you can have Quicken fill it in, based on the information you've entered in your Quicken registers. For more information on budgeting, see "First take a snapshot" on page 34.

If your emergency reserves are low, Quicken can help you get started on a savings program. You can create a savings goal, which lets you "hide" money for a special purpose. Although the money is really in your bank account, you mark it as unavailable for other spending. When you create a savings goal, Quicken automatically creates a savings goal account to track how much money you've contributed to your goal.

To transfer money to your savings goal, click here.

Although the money remains in your real-world account, it's hidden from you when you look at your account balances in Quicken.

Check your progress here.



## To create a budget

Point to the Planning icon and choose Budget My Spending.

## To create a savings goal

From the Features menu, choose Planning. Then choose Savings Goals. From the Savings Goals window, click New and fill in the information. The name of the goal will be the name of the account used to track the savings goal.

## Insurance coverage

Take a look at your insurance coverage (on your life, your car, your home). How can you be sure you have adequate coverage? You can start by visiting Quicken's InsureMarket, the Web's most complete personal insurance service. You can get quotes, learn the basics and evaluate risk using the tools and information provided. You can even learn ways to save on auto, home, and life insurance.

If you've entered all your furnishings in Quicken Home Inventory, create an insurance coverage summary report to see a summary listing of all your belongings and their values, and then compare the value of your belongings with your

## To visit InsureMarket

From the Online menu, choose Quicken on the Web. Then choose InsureMarket.

To use this feature, you need to have access to the Internet and you need to have set up Quicken for online features.

## To open QHI

From the Features menu, choose Planning. Then choose Quicken Home Inventory.

insurance coverage. For more information about insurance or Quicken Home Inventory, see “Figuring out the value of what you own” on page 57.

## Requesting a credit report

Now that you have an idea of how much you owe and where your money goes, another valuable source of information about where you stand financially is your credit report. Your income and credit history are very important when you apply for credit.

If you apply for a loan, the lender is interested in the number and types of credit accounts you have, how much you owe on your active accounts, how well you repay your debts and when your newest accounts were opened. Lenders also want to know how long you’ve lived at your present address and held your present job. Some of this information comes from your credit application and some comes from your credit report. In addition, it’s a good idea to get a copy of your credit report from one of the bureaus if you:

- Are applying for a mortgage or other loan, purchasing insurance, applying for a new job, or applying to rent or lease property.
- Are disputing an item you’ve charged on a credit card. (You should make sure that your refusal to pay is noted in your credit report.)
- Have been refused credit on the basis of a negative credit report.
- Want to make sure that no one has opened an account in your name.
- Haven’t checked your credit within the past year.

## To order a credit report

Point to the Planning icon. Then choose Order a Free Credit Report. Follow the onscreen instructions for obtaining the report. You may want to take advantage of some other credit monitoring services offered.



“How can I  
keep more of  
my money?”



At the end of the month, do you wish you had a few extra dollars to invest or stash in savings? Here's information on how to save more and spend wisely.

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Take a quick look at last month's check register. Are credit card payments taking a big chunk of your available cash? One surefire way to start saving is to stop borrowing. Hide your credit cards and always pay cash or write a check. Of course, if you use credit cards to accumulate frequent flier mileage (or some other perk) and you pay them off each month, you are well on your way to careful spending.

## Managing your debt

### Danger signals

**Y**ou probably know if you have problems with your credit but here are a few warning signs to look for:

- You only make the minimum payments on your cards each month.
- You've taken on a part-time job to make ends meet.
- You can't pay all your bills on time.
- You're paying for your groceries with a credit card (out of necessity and not choice).
- You couldn't handle a financial emergency (like a new water heater) unless you used a credit card.

### Paying attention pays off

**Example.** Tina has some credit card debt as well as a mortgage and a car loan. She'd like to start an investment plan, but first she wants to reduce her debt. She plans to stop using her credit cards and get out of debt as quickly as she can. Tina can set up credit card accounts in Quicken to track all her charges carefully. She can also run the Debt Reduction Planner to create a plan for paying off her debts as soon as possible while paying the least amount of interest.

### Watch those credit cards

It's so easy to slide that credit card across the sales counter. It doesn't feel like you're really spending money. How easily those charges can pile up. Quicken can help you track all those purchases.

To monitor her credit card spending, Tina can set up separate credit card accounts for each credit card she has. She'll reap these benefits:

- Her reports will be more complete and accurate (including credit card debt in cash flow reports provides a more complete financial picture).
- She can track the types of things she buys on credit.
- She can track all the balances she owes.
- She can automatically download and categorize credit transactions if her credit card account is with one of Intuit's participating financial institutions and she has online banking.
- She can set up an Alert in Quicken to let her know when she's reaching her credit card account limit.

Quicken credit card accounts are similar to Quicken bank accounts. If you've used a Quicken bank account, you already know most of what you need to use a credit card account.

| To learn about...  | Search the Help Index for...       |
|--|------------------------------------|
| entering credit card payments                            | credit accounts, entering payments |
| reconciling your credit card account and paying the bill | credit accounts, balancing         |
| tracking credit accounts                                 | credit accounts, about             |

If you pay off your credit card in full each month, you may want to look for the card with the best perks and lowest annual fee. If you don't pay your bill in full each month, you may want to look for a card with no annual fee and the lowest interest rate (and not just the lowest *initial* rate).

**To create a credit card account**

Point to the My Accounts icon and choose Create a New Account. Choose Credit Card as the account type and follow the step-by-step instructions.

**To set up a credit card Alert**

Point to the Bills icon and choose Alert Me of Upcoming Events. Select Credit Card Limits as the alert area.



## Reduce your debt

### To start the Debt Reduction Planner

Point to the Planning icon and choose Create a Debt Reduction Plan.

Quicken's Debt Reduction Planner can help Tina set up a payment plan so she'll pay the least amount in interest and be debt free as early as possible.

Quicken searches Tina's data for debts (such as liability accounts and credit card accounts) and sorts them, putting the most expensive debt at the top of the list (it's the one with the highest interest rate). She'll enter her current payment and the minimum she needs to pay. She can even add debts she doesn't track in Quicken, such as a loan from a friend, and include them in the plan. The Debt Reduction Planner also takes into account whether interest on a debt is tax deductible when it calculates a payment plan.

Following the payment plan Quicken calculates, Tina pays off the most expensive loan first while paying the minimum on her other debts.

When Tina has paid off the most expensive debt, she'll take the money she had been paying on the first loan and add it to the minimum payment on the second debt. This means that even without increasing the amount she applies to her debts, she's still paying the least amount of interest.

| Debt Name       | Rate             | Balance          | Current Pmt     | Suggested Pmt   |
|-----------------|------------------|------------------|-----------------|-----------------|
| Dept Store      | 18.0%            | 1,200.00         | 120.00          | 550.00          |
| Villa Bank Card | 18.0%            | 1,019.55         | 500.00          | 120.00          |
| Welch Honda     | 6.0%             | 10,000.00        | 500.00          | 450.00          |
| Mortgage        | 5.40%            | 86,396.54        | 1,200.00        | 1,200.00        |
| <b>Totals</b>   | <b>(4 debts)</b> | <b>98,616.09</b> | <b>2,320.00</b> | <b>2,320.00</b> |

**Optimized Payment Plan Results**  
Debt free as of 9/00  
Total interest paid: \$16,309.48  
Interest savings thus far: \$13,127.28

☐ Change Payment Order?

Cancel Help Back Next

Quicken analyzes Tina's debts and lists the order in which she should pay them off so that she'll pay the least amount of interest and be debt free in the shortest amount of time.

## Track cash withdrawals

Cash is another slippery item. Those trips to the ATM can add up to a tidy sum. Tina can track these cash withdrawals as stringently as she wishes, using one of these three methods. Of these methods, the first one is the most relaxed method; the last one is the most strict one. You might want to set a limit before you start, such as "I'll track all cash spending over \$1."

- Enter each withdrawal in her Quicken check register and assign it to the Cash category.
- Enter the withdrawal in Quicken's check register and create a split transaction, categorizing how she spent the money.

Let's say Tina withdrew \$200 and then did some errands. She can assign categories to each transaction: \$50 at the grocery store, \$25 at the dry cleaners, \$40 at the hardware store, and so on.

- Create a cash account in Quicken.

To use this method, Tina needs to save her receipts and other records of cash transactions and enter each one as a separate transaction. If she has cash transactions she doesn't want to track, she doesn't need to enter them. She can enter an adjustment transaction to cover any miscellaneous expenses.

### To create a cash account

Point to the My Accounts icon and choose Create a New Account. Choose Cash as the account type and follow the step-by-step instructions.

#### To learn about...

creating a cash account

managing cash

matching cash on hand with the cash account balance

splitting transactions

#### Search the Help Index for...

cash, accounts

cash, tracking

cash, balances

split transactions

## Cutting expenses where you can

What could be drearier than setting up a budget? Who wants to handcuff their spending? Rather than thinking of budgeting as denying yourself the things you want, think of it as making a series of trade-offs. And you can't make trade-offs on your spending unless you have all the facts. You know how much your take-home pay is every month. Can you account for where it all goes? Here's where budgeting comes in.

### First take a snapshot

Since Tina has been tracking her spending in Quicken, she can create a cash flow report. This report summarizes her income and expenses by category.

### To create a cash flow report

Point to the Reports icon and choose Show Me a Graph or Report of My Finances. Then choose "Where did I spend my money?" You can have Quicken display just the spending categories that are of interest. On the Report button bar, click Customize. Click the Include tab and select the categories you want to zero in on (like dining).

**Cash Flow Report**  
1/1/97 Through 5/9/97

Category: Dining

OUTGOING

Dining 195.40

**QuickZoom Report**  
1/1/97 Through 5/9/97

| Date                | Acct            | Num | Description  | Memo        | Category | Amount |
|---------------------|-----------------|-----|--------------|-------------|----------|--------|
| 2/11/97             | Tina's checking | 151 | Oregg's Deli |             | Dining   | 15.58  |
| 3/12/97             | Tina's checking | 152 | Pasta Paste  | Mary's gift | Dining   | 40.00  |
| 2/13/97             | Tina's checking | 153 | Miso's cafe  | Mary's gift | Dining   | -18.78 |
| 2/15/97             | Tina's checking | 158 | Clown pizza  |             | Dining   | -26.00 |
| 2/22/97             | Tina's checking | 167 | Tirelita R   |             | Dining   | -65.00 |
| 2/23/97             | Tina's checking | 160 | Oregg's Deli |             | Dining   | -13.90 |
| 2/28/97             | Tina's checking | 183 | Oregg's Deli |             | Dining   | -9.56  |
| TOTAL 1/1/97 5/9/97 |                 |     |              |             |          | 195.40 |

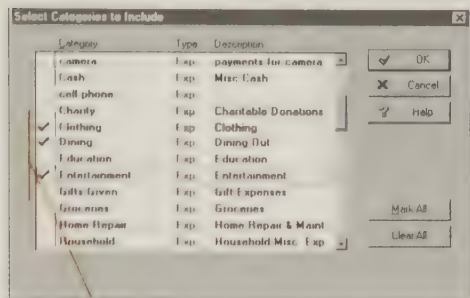
Tina's cash flow report shows just the categories she wants to track closely.

She can double-click the dining category amount to see a list of all transactions she's assigned the category "Dining" to.



## Target high spending areas

Using Quicken's budgeting tool, Tina can zero in on a few categories she'd like to spend less on, like her dining expenses. By cutting down on dining (and some other key spending areas), she'll have more money to put aside for her investments.

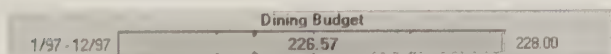


In addition to Dining, Tina wants to focus on her Clothing and Entertainment categories.

## Track where you overspend

Tina can use the Quicken progress bar to monitor one or more categories in which she typically overspends—for example, dining out or entertainment expenses.

She can check the progress bar from any window within Quicken.



## Setting money aside

Once Tina is in a position to begin saving money, Quicken can help her start setting money aside.

She can start transferring a portion of her paycheck every month to a savings or other interest-bearing account. The most straightforward method to manage savings in Quicken

## To create a budget

Point to the Planning icon and choose Budget My Spending. Click Edit on the Budget button bar and then choose Autocreate. Then select the categories you want to focus on.

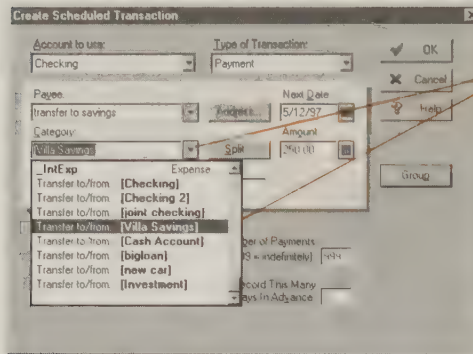
## Create a budget that focuses on the categories you want to track

To simplify the budget display, click View on the button bar and choose Zero Budget Categories. Now enter maximum spending allowances for the expense categories you selected.

## To create or change a progress bar

From the Features menu, choose Planning. Then choose Progress Bars. Click Cust and fill in the Customize Progress Bar window.

is to set up the transfer from checking to a savings account as a scheduled transaction.



Tina wants Quicken to transfer \$250.00 from her checking account to her savings account.

Of course, this transfer just serves as a reminder that you should make this transfer in your actual bank accounts.

Many banks and brokerages offer automatic deductions from your checking or savings account (usually a money market account). Check with your financial institution.

# “How can I reduce my taxes?”



Taxes are part of life every day of the year — not just on April 15. If you plan well and use tax-reducing strategies, you'll have fewer headaches at tax preparation time and save money, too.

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Do you have a tax strategy? If not, review the next few pages to pick up a tip or two. You'll also learn how Quicken can help you organize and set up your accounts to track tax-related information all year. These features will save you time and money, too.



Q

**Example.** Pete and Judy have two kids. They own an older home and have spent a lot of time and effort on home improvements this year. Both are employed and Judy contributes to her company's 401(k) plan. What are some ways they can save money on taxes and how can Quicken help them do it?

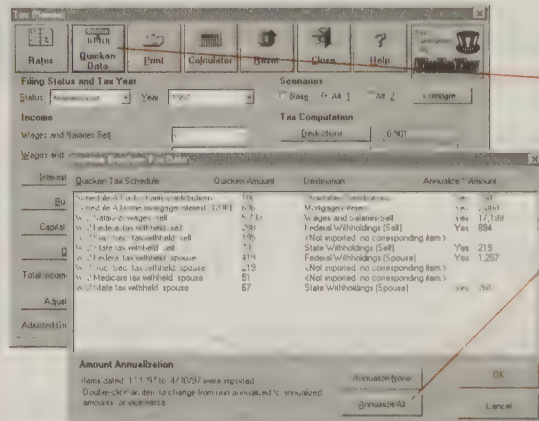
Using Quicken's Tax Planner, Pete and Judy can get an idea of how much they'll be paying in taxes this year.

## To display the Tax Planner

Point to the Planning icon and choose Plan for Taxes.

You can have Tax Planner get tax information from your Quicken data file. Just click the Quicken Data button.

Do you want to have Tax Planner project your tax liability, deductions, and exemptions to the end of the year? Click the Annualize All button.



## Strategies for reducing your tax bill

To reduce their taxes, Pete and Judy need to start looking for ways to save early in the year. They can review and use the tax savings ideas in these next few pages now and reap the benefits at tax time. For an overview of Quicken tax tools see page 44.

## Contribute to retirement accounts

Contributing to a retirement account is a great way to reduce your tax bill. When you set money aside in a retirement account, the funds stay in the account, tax-deferred, until you withdraw them at age 59-1/2 or later without penalty.

How does an Individual Retirement Account (IRA) or 401(k) plan compare to other investments? If you have \$10,000 invested in a bank certificate of deposit (CD) or stock mutual fund, your interest or dividends are taxable on your current year's tax return. This means that part of what you earn goes to the government each year. If your \$10,000 investment does really well, your long-term gain is also taxable.

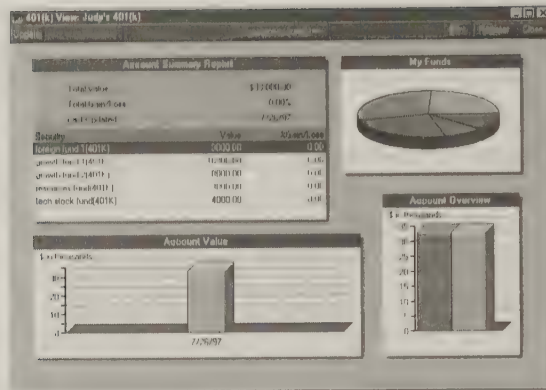
With an IRA or 401(k) plan, you won't have to pay tax on the money until you begin to withdraw it from the plan. And saving money tax-deferred can help you prepare for a financially secure future. Once you retire, chances are you'll be in a lower tax bracket, so you can possibly get a double tax break.

Pete just started contributing \$2,000 a year to his IRA plan. He's 30 years old and wants to retire at age 70. Here's an example of how his tax deferred savings can add up. If he earns 7% on his \$2,000 annual contribution, his retirement fund will hold \$511,618 by the time he's ready to draw from it. (Of course, a fund may earn less or more than 7% on average.) The point is that Pete is able to earn interest on the money he might otherwise pay in taxes.

Judy has been contributing for several years to her 401(k) plan. She used Quicken's EasyStep 401(k) to set up and track her funds.

### To use EasyStep 401(k)

Point to the Investments icon and choose Track My 401(k).



Quicken's 401(k) update screen lets Judy view her portfolio in several ways.

### Your retirement money compounds tax free

- The compounding of your money over time enables your contributions to grow more quickly.
- Best of all, you don't pay taxes on the amount that is compounded until you withdraw the funds. Since contributions from your employment earnings are not taxed at either the federal or state level, your 401(k) contributions are tax free until you withdraw them at retirement. When you withdraw the funds (contributions, interest, dividends, and gains) they are taxed as income. For more about retirement accounts, see "Savings—common tax-deferred accounts" on page 66.

### Track flexible spending funds

Judy's employer offers special "flexible spending" plans. These plans allow her to put some of her salary in special accounts, to pay for medical, child care, and some insurance expenses. Judy's take-home pay may be less, but she'll be paying doctor and dentist bills with pretax dollars. These plans offer worthwhile tax savings. It's important to track these expenses because if Judy doesn't use up the money in her accounts by the end of the plan year (or a bit later, if there's a grace period), she forfeits any money left in these accounts.



- Create an asset account to track your flexible spending funds.

Judy's account, "Flex childcare," tracks the money her employer deducts (pretax) to cover her child care expenses.

#### Tips:

Give the account a meaningful name (in this case, Flex childcare).

If you are starting mid-year, enter the amount your employer has already deducted for this year.

Don't select the tax-deferred checkbox.

Select the tax schedule for transfers in.

Don't select a tax schedule for transfers out.

- Enter your paycheck using the EasyStep Paycheck.

Be sure to include your flexible spending accounts when you fill in the information about your paycheck.

| Category          | Amount                     |
|-------------------|----------------------------|
| Tax Fed           | Federal Tax                |
| Tax State         | State Tax                  |
| Tax Soc Sec       | Soc Sec Tax                |
| Tax Medicare      | Medicare Tax               |
| Tax               | Taxes                      |
| Investment        | Transfer to Investment     |
| [flex childcare]  | Transfer to flex childcare |
| <b>Net Amount</b> | <b>\$1,084.17</b>          |

Judy has set up this flexible spending account.

### To set up your paycheck

Point to the My Accounts icon and choose Set up My Paycheck.

When you receive a check from your flexible spending account to cover your expenses, deposit the check in your checking account. When you enter this transaction in Quicken, select the name of the flexible spending asset account in the Category field. This transfer decreases the balance in your flexible spending asset account.

**At the end of the year** Check your balance and see how much money you can still be reimbursed for. You can add a note to the Financial Calendar to remind you of the date by which you must submit all reimbursement requests.

### Invest in tax-wise ways

Many financial decisions have an impact on taxes. For example, Pete and Judy are deciding between these two investments:

- A traditional savings account that pays 4% interest
- A tax-free money market fund that pays 3.5%

Which investment they should choose depends on their tax bracket. The savings account pays 4%, but the interest is fully taxable. Since they are in the 33% tax bracket (this means they are paying 33% in federal taxes on their last income dollars), they'll end up with just 2.7% interest after federal taxes are deducted. In this case, the 3.5% tax-free money market fund gives a higher return. In this case Pete and Judy are maximizing their return (and not minimizing taxes).

Remember, if your tax bracket is somewhat lower than 33%, the savings account could be the better investment.

## Maximizing deductions

At tax time, don't just throw down your pencil and take the standard deduction. Itemize your deductions, if you can; you may have more to claim than you thought. These examples are just a few of many deductions available.

### Property taxes

For homeowners, the largest itemized deduction you'll claim is the mortgage interest you pay. Do check your property tax statement. Not all items on the statement are deductible.

Sometimes the cost of city services is included in the statements. You can't deduct these fees.

## Other deductible taxes

Many types of taxes that you pay are deductible on Schedule A of Form 1040, including:

- State and local income taxes
- Real estate taxes
- Personal property taxes (such as the tax you pay for registering and licensing your car); only those fees based on the value of your car are deductible
- Foreign income taxes

## Charitable contributions

- Donations of appreciated property to a charitable organization

**Example.** Pete and Judy purchased a work of art for \$1,200 five years ago. The piece is now appraised at \$3,500. If they sell the art and donate the proceeds to a charity, they have to pay capital gains tax on the profit. But if they give the art directly to the charity, they can take a \$3,500 deduction and avoid paying any capital gains tax.

- Deductions for volunteer work

If you do volunteer work for a particular charity, you can deduct your out-of-pocket expenses, such as:

- The cost of purchasing and cleaning a uniform
- Transportation costs

Keep a mileage log that lists the date, purpose of the trip, and the number of miles driven. At the end of the year, add up your actual costs or multiply the number of miles you drove by \$0.12 to take the IRS standard deduction for volunteer work mileage.



## To start Tax Deduction Finder

Point to the Planning icon and choose Identify Possible Tax Deductions. Pick a particular area and answer a few questions. Tax Deduction Finder lets you know whether or not the deduction might be available to you.

- **Donations of clothing, household goods, and vehicles**  
Get a receipt for your donations of clothing and household goods to Goodwill and similar charities. Keep an itemized list of the items you've donated. If you're claiming a charitable donation of more than \$250, you need a letter from the charity supporting your claim.

Would you like to look into other possible deductions? Quicken's Tax Deduction Finder feature helps you find tax deductions that you may not know about or may not think apply to your tax situation.

Be sure to investigate any deduction thoroughly before you take it; Tax Deduction Finder can only help you identify deductions you may have missed or haven't considered. Check with the Internal Revenue Service or your tax expert for complete details and information.

Pete wants to see if he might be able to deduct some courses he has taken to update his skills. If so, Quicken can set up a new tax-related category to track his educational expenses.

## Deduction strategies

**Shifting and bunching** Some years you may have more deductions than others. You can turn this into an advantage by bunching your deductions together in a specific time period.

Let's say you can't itemize your deductions this year. Next year, though, you are hoping to buy a home and will be able

to itemize. Don't make that planned donation to charity in December. Wait until January, so you can deduct the donation on next year's tax form.

**Convert consumer debt to tax-deductible debt** Personal interest on credit card and auto loans is not deductible. Mortgage interest debt is deductible. If you have enough equity in your home, you can borrow against that equity to pay off non-deductible interest. The interest rate is generally lower on home equity loans and the interest is usually deductible. Just be careful not to get into the habit of continually raiding your home's equity. You'll need to pay off all that debt, too.

**Document home improvements** Any improvement that has a life of more than one year qualifies as a home improvement. And you don't have to spend thousands of dollars. Try to track all your improvements that cost over \$100. Remember that a home improvement differs from home maintenance. For example, a new roof may not be an improvement from a tax stand point. However, if you remove your wood shake roof and replace it with fire-proof ceramic tiles (which might be considered an improvement and not just upkeep), you may be able to track it. Check with your tax adviser. Be sure to keep your receipts.

When you sell your home, the IRS taxes you on the difference between the sales price and your original purchase price plus improvements. The more improvements you make, the lower your tax basis in the home.

**Example.** Pete and Judy bought their home for \$150,000. The house didn't have a fence, so they added one for \$4,000. They also remodeled the 20-year old kitchen for \$16,000. If they sold the house for \$200,000, they would be taxed on the sale price of \$200,000 minus the original cost plus improvements (\$150,000 + \$20,000). After the sale, they'd have a gain of \$30,000. (Remember, you can defer the tax on that gain as long as you purchase another primary residence within 24

months. But the new residence has to cost at least as much as the sales price of your old house. At press time, a bill was pending in Congress which may change this law. Be sure to check with your tax advisor if you plan to sell a personal residence.)

## More Quicken tax tools

Now that you've had a chance to review some ways to cut your tax bill, you need to set up Quicken to help you achieve this goal. Once you've set up your accounts and categories to help you track tax-related transactions, the most tedious part of tax preparation will be automatic.

Using Quicken helps whether you prepare your own returns or gather the information to submit to a tax preparer.

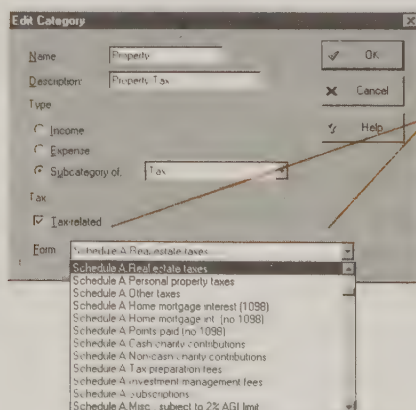
Quicken has several tools that make your taxes easier to prepare and help you plan your tax bill. You can:

- Set up categories so that you'll have your tax-related transactions from the entire year available at your fingertips.

You can add or edit categories from the Category & Transfer list.

### To display the Category list

From the Lists menu, choose Category/Transfer.



Quicken has already set up some categories for taxes. Add or edit categories you need to complete your tax picture.

Mark them as tax related *and* select the tax form from the drop-down list.



- Use Tax Link Assistant to work with your categories all at once.

Pete's category to track his educational expenses is set up.

Here's the category and the tax form line item.

The tax form line item is explained below.

You can also select the tax form line item when you set up the category. (See the example on the previous page.)

**Tax Link Assistant**

To Assign a Tax Form Line Item to a Category

1. Select a Category and a Tax Form Line Item
2. Click "Assign Line Item to Category"
3. When you're done, click OK to accept your changes

For Additional Help Press 'F1'

Category: Education Assigned Line Item: Form 2106 / Education expenses

Form 2106: Education expenses

Cost or tuition; books, fees, transportation if the education is required by your employer or maintains or improves current job skills. Cost of courses preparing you for a new profession or meeting minimum requirements of your job are not deductible.

Buttons: Clear All Assignments, Clear Assignment, Assign Line Item to Category

- Create reports that will help you fill in your tax forms.

These reports are helpful if you use tax preparation software, like TurboTax<sup>®</sup>, or if you just need to provide detailed information to your tax advisor.

**Tax summary reports** group and subtotal transactions in your accounts by tax-related categories. Use this report if your taxes are fairly straightforward and you don't want to use tax preparation software.

**Tax Summary Report**  
1/1/97 Through 5/1/97

| Date                 | Acct           | Item   | Description       | Category | Amount |
|----------------------|----------------|--------|-------------------|----------|--------|
| <b>SALARY/SPOUSE</b> |                |        |                   |          |        |
| 1/2/97               | Judy Savings   | S      | Judy's paycheck   | Salary   |        |
| 1/11/97              | Judy Savings   | S      | Judy's paycheck   | Salary   |        |
| 1/21/97              | Judy Savings   | S      | Judy's paycheck   | Salary   |        |
| <b>TOTAL \$</b>      |                |        |                   |          |        |
| <b>EXPENSES</b>      |                |        |                   |          |        |
| 1/2/97               | Church         | Church | Charity           |          |        |
| 3/2/97               | Church         | Church | Charity           |          |        |
| 1/1/97               | Joint Checking | 3215   | MacKasby Mortgage | Mortgage |        |

**Tax Schedule Report**  
1/1/97 Through 5/1/97

| Date  | Acct         | Item | Description     | Category   | Amount  |
|---|--------------|------|-----------------|------------|---------|
| <b>Federal tax withheld, spouse</b>         |              |      |                 |            |         |
| 1/2/97                                      | Judy Savings | S    | Judy's paycheck | Tax Spouse | -130.68 |
| 1/11/97                                     | Judy Savings | S    | Judy's paycheck | Tax Spouse | -130.68 |
| 1/21/97                                     | Judy Savings | S    | Judy's paycheck | Tax Spouse | -130.68 |
| <b>TOTAL Federal tax withheld, spouse</b>   |              |      |                 |            | -492.04 |
| <b>Sec. Sec. tax withheld, spouse</b>       |              |      |                 |            |         |
| 1/2/97                                      | Judy Savings | S    | Judy's paycheck | Tax Spouse | -73.18  |
| 1/11/97                                     | Judy Savings | S    | Judy's paycheck | Tax Spouse | -73.18  |
| 1/21/97                                     | Judy Savings | S    | Judy's paycheck | Tax Spouse | -73.18  |
| <b>TOTAL Sec. Sec. tax withheld, spouse</b> |              |      |                 |            | -219.54 |
| <b>Medicare tax withheld, spouse</b>        |              |      |                 |            |         |
| 1/2/97                                      | Judy Savings | S    | Judy's paycheck | Tax Spouse | -17.00  |
| 1/11/97                                     | Judy Savings | S    | Judy's paycheck | Tax Spouse | -17.00  |
| 1/21/97                                     | Judy Savings | S    | Judy's paycheck | Tax Spouse | -17.00  |

**Tax schedule reports** (and capital gains reports) group and subtotal your transactions by tax schedule line item.

## To start Tax Link Assistant

From the Features menu, choose Taxes. Then choose Set Up for Taxes.

## To create a tax report

From the Reports menu, choose Home. Then choose the report you want to create.

- Use Tax Planner throughout the year to estimate your tax bill and determine whether you are withholding the proper amount. (See “To display the Tax Planner” on page 36.)

### **Working with tax advisors**

Look for a tax advisor who:

- Has experience dealing with the issue you’re struggling with.
- Focuses on taxes full-time or has years of experience.
- Pursues deductions as aggressively or conservatively as you are comfortable with.
- Provides solid references.
- Carries errors and omission (liability) insurance.

Be sure to organize your records before you sit down with your tax advisor. Remember, advisors charge for their time; don’t hire a tax preparer to organize a shoe-box full of receipts.

### **Types of tax advisors**

- Preparers, enrolled agents (EAs), and Certified Public Accounts (CPAs) prepare most individual tax returns. EAs and CPAs may represent you before the IRS if you are audited or your return is questioned.

Tax preparation and advisory fees generally range from \$50 to several hundred dollars per hour.

- Tax attorneys deal with more sophisticated tax problems involving business deals and the IRS. Typically, they don’t handle routine tax preparation.
- Consider tax preparation software, like Intuit’s TurboTax and tax guides to help you understand and prepare your tax returns.

# “Can we afford a new home?”



What are the benefits of owning your own home? Besides the satisfaction of achieving the American dream, home ownership provides the last great tax break, because the interest you pay on your home mortgage is tax deductible.

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Also, you'll eventually pay off the mortgage and substantially lower your housing costs in retirement. For renters, the payments go on and on and up and up. When you have a mortgage payment every month and home repairs to think about, you tend to be less free-wheeling with your money and might tend to save more. You can also use your house as collateral for a loan.



## Are you ready for home ownership?

Marie has been working and trying to save money for a down payment on a house for a couple of years. She's watched more of her paycheck go to her landlord as her rent continues to rise. How can Marie figure out if it's time to take the plunge into home ownership?

### TIP

In the years leading up to your initial home purchase, you may want to move your investments to more conservative (safer) choices so that a sudden market downturn won't harm you at the last minute.

First, Marie needs to figure out how much of a down payment she can make and how big a mortgage she can carry. To get an idea, she can run a net worth report.

### To create a net worth report

Point to the Reports icon and choose Show Me a Graph or Report of My Finances. Then choose What am I worth?

| Net Worth Report             |                |
|------------------------------|----------------|
| (includes unrealized gains)  |                |
| As of 8/3/87                 |                |
| Acct                         | 8/3/87 Balance |
| ASSETS                       |                |
| Cash and Bank Accounts       |                |
| Checking Villa Bank          | 1,234.00       |
| Money Market                 | 2,300.00       |
| TOTAL Cash and Bank Accounts | 3,534.00       |
| Investments                  |                |
| Investment                   | 5,000.00       |
| TOTAL Investments            | 5,000.00       |
| TOTAL ASSETS                 | 8,534.00       |
| LIABILITIES                  |                |
| Credit Cards                 |                |
| Credit Card Villa Bank       | 457.00         |
| TOTAL Credit Cards           | 457.00         |
| Other Liabilities            |                |
| car loan                     | 4,000.00       |
| TOTAL Other Liabilities      | 4,000.00       |
| TOTAL LIABILITIES            | 4,457.00       |

If you haven't set up all your liabilities (like credit card accounts, car loans, and other debts), review the information in "Where did all of our money go?" on page 19.

This report gives Marie an idea of how much money she has available for a down payment.

Marie can expect to put down between 10% and 20% of the purchase price as a down payment. If she plans to put down less than 20%, she will probably have to buy private mortgage insurance (PMI) from her lender. Marie will pay up to 1% of the cost of the insurance up front. She'll then pay something each year. When her equity in the house reaches around 20%, she can cancel the private mortgage insurance. (Another great reason to track home equity in Quicken!)

To help her put some money aside each month for her down payment, Marie can set up a savings goal account in Quicken. In Quicken, she can transfer money from her checking account to the savings goal account. Although the money stays in her real-world account, it's hidden from her when she looks at her checking account balance in Quicken. For details, see "To create a savings goal" on page 25 and the paragraph next to the instructions.

### Do you qualify?

The guidelines for qualifying for a home loan are set by the Federal National Mortgage Association (Fannie Mae).

Fannie Mae uses a formula to figure out whether or not you qualify:

- Your expected monthly housing costs (principal, interest, property taxes, and insurance) should not exceed 28% of your gross monthly income.

**Note:** If you can put down a large down payment, have excellent credit, already spend more than 28% on housing, some lenders will take this into consideration for the 28% limitation.

- Your total debt (consumer debt and mortgage debt) should not exceed 36% of your gross monthly income.

**Note:** In high-cost housing areas like California, lenders may consider a higher ratio.

If your consumer debt is high, use Quicken's Debt Reduction planner to create a plan to reduce your debts as quickly as possible and pay the least amount of interest. For details, see "Reduce your debt" on page 30.

## Getting a great mortgage deal

You need to shop around to find a great mortgage deal. Look at the interest rate and the points you'll be paying before you

apply. Points are fees for getting a loan. Often you pay higher points for a lower interest rate. Each point you pay is equal to 1% of the loan amount. So if you are borrowing \$200,000, one point is \$2,000 (you pay the points when the loan is signed). If you plan to stay in your home a long time, you may be better off paying the points and getting a lower interest rate. If you plan to move or refinance soon, those points can be costly.

### **Brief look at mortgage types**

Mortgages are amazingly varied—you'll find an array of interest rates, terms, and fees. Figure out how long you plan to own the house and how comfortable you are with changes to your monthly mortgage payments before you apply.

**Adjustable-rate mortgages (ARMs)** An ARM's interest rate changes as market interest rates go up and down. Interest rate changes occur according to the schedule in your mortgage agreement. How much the interest rate changes depends on the index your loan is based on. Be sure to find out the index your lender uses; many are tied to Treasury bills. The lender may also add percentage points to the index rate; find out how many. Some mortgages have minimum and maximum interest rates.

If you are comfortable with changes in your payments and can handle an increase in your monthly mortgage payment, consider an ARM. An ARM tends to start out with a lower interest rate than a long-term fixed-rate mortgage.

**Intermediate-term fixed-rate loans** With a 15- or 20-year loan, you'll own your home outright in half the time of a 30-year loan. You also pay less than half the interest. Your monthly payment for a 15-year fixed loan will probably be higher than for a 30-year fixed loan.

**Long-term fixed-rate loans** If you aren't comfortable with changing mortgage payments or you can't afford the house of your dreams if you take the shorter 15- or 20-year loan, look into a long-term fixed-rate loan. You'll have peace of mind and you'll also have the ability to refinance your loan if interest rates fall significantly. (Of course, you'll have to pay the closing costs and points all over again. For details about refinancing, see "Thinking about refinancing?" on page 55.)

QuickenMortgage, a new online feature within Quicken, provides one-stop shopping for great mortgages from the nation's leading lenders. You can search for loans that you qualify for, tailored to your preferences from multiple lenders. Your loan search results are kept up-to-date as the market changes.

### Figuring out the payments

For a quick estimate on a loan, use Quicken's Loan Planner. The planner can show you:

- Your monthly payment, if you know the loan amount and the interest rate.
- How much you can borrow, if you can afford a specific amount per month.
- How much interest and principal you would pay off over the life of the loan.

Beyond this fast and simple method, you also may want to do loan comparisons when you are shopping around for a loan. Home loans tend to be complex, and you may want to see the effect of a balloon payment or other loan elements. You can use Quicken's loan feature to help you evaluate different loans before you choose one.

First, create a new Quicken data file to play "what ifs" with different loans. (Create a new "fake" checking account when Quicken prompts you). Create as many loans as you are con-

### To check out mortgage rates through Quicken

From the Online menu, choose Quicken on the Web. Then choose Mortgage Center.

To use this feature, you need to have access to the Internet and you need to set up Quicken for online features.

### To display the Loan Planner

Point to the Planning icon and choose Use Financial Planning Calculators. Then choose Loan.



sidering (for more details on setting up a loan, see “Owning your home” on page 52).

When you’re done, delete the data file you’ve been using to test the loans.

| To learn about...            | Search the Help Index for... |
|------------------------------|------------------------------|
| creating a new Quicken file  | files, creating              |
| creating a loan in Quicken   | loans, setting up            |
| deleting a Quicken data file | files, deleting              |

### A few more tips...

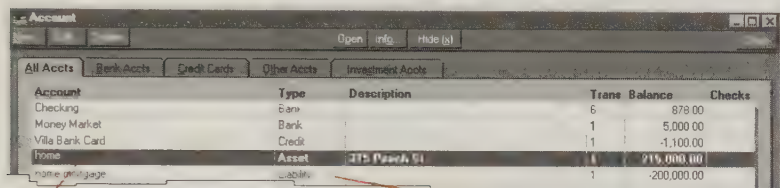
- For tax purposes, the actual date of sale is the day escrow closes, not the date of the offer. For example, an offer may be accepted in December, but the actual sale may not happen until February (the next tax year). Also note the official purchase price.
- Before you buy, check with a financial planner about the best way to hold title to your home (the *title* is the piece of paper that says who officially owns the home), since it’s likely to be your biggest asset. This is especially important if you are married or own the home jointly with someone else.

## Owning your home

Once you’ve purchased your home, Quicken can help you manage your mortgage payments, figure out how much insurance you need, and prepare for emergencies.

Tara and Rob just purchased their first home. They want to track their mortgage payments in Quicken. To do this, they need to set up their loan in Quicken. They can also set up their payment so Quicken enters it in their register automatically when it’s due and reminds them to pay it.

Quicken also creates a liability account to track the principal remaining on the loan. To complete the picture, they need to create an asset account to track the resale value of their home. When they run a net worth report, the difference between what they owe (tracked in a liability account) and the resale value (tracked in an asset account) is their equity.



| Account         | Type         | Description         | Trans    | Balance           | Checks |
|-----------------|--------------|---------------------|----------|-------------------|--------|
| Checking        | Bank         |                     | 6        | 878.00            |        |
| Money Market    | Bank         |                     | 1        | 5,000.00          |        |
| Villa Bank Card | Credit       |                     | 1        | -1,100.00         |        |
| <b>Home</b>     | <b>Asset</b> | <b>315 Peach St</b> | <b>1</b> | <b>215,000.00</b> |        |
| Home Mortgage   | Liability    |                     | 1        | -200,000.00       |        |

Tara and Rob track the value of their home in an asset account called "home." They track what they owe on their home in a liability account called "home mortgage."

After they've set up their loan in Quicken, they'll reap these benefits:

- They can see the amount of interest they pay each year so they can document the tax deduction (for mortgages and equity lines of credit).
- They can see how the loan's outstanding balance affects their net worth.
- They can include the equity they have in their home in a net worth report, provided they also track the current value of their home in an asset account.

## Tracking your home equity

As Tara and Rob record house payments each month, Quicken transfers the portion of the payment that applies to the principal to their liability account to decrease its balance.

## To set up a loan

From the Features menu, choose Bills. Then choose Loans. In the View Loans window, click New. Follow the instructions in the EasyStep windows to set up the loan.

## To create a net worth report that shows home equity

Point to the Reports icon and choose Show Me a Graph or Report of My Finances.

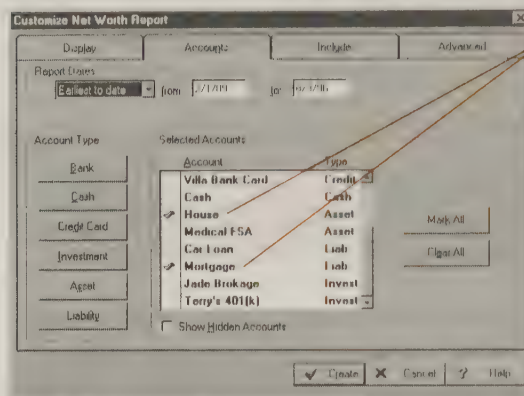
From the list of questions, select "What am I Worth?" and click Show Report.

In the Net Worth report window, click Customize on the report toolbar. Then click the Accounts tab. You want to include only the asset account and liability account, so click Clear All to remove the check marks from all accounts. Then select just the asset and liability accounts.

Quicken displays the net worth report. The Overall Total amount is the equity in your home.

Memorize the report and name it something like "home equity."

Their decreasing debt and increasing equity is then reflected in their net worth report.



Include your asset and liability accounts. If you've taken out a second mortgage or an equity loan on your house, include those accounts, too.

Quicken helps you track your loan payments automatically. Be sure to update the value of your home as time goes on. Also track any home improvements you make. These improvements affect the cost basis of your home when you sell it.

For details, see "Document home improvements" on page 43.

| To learn about...  | Search the Help Index for... |
|--|------------------------------|
| tracking loans and mortgages                                   | loans, using                 |
| making loan payments   | loans, payments              |
| adjustable-rate loans  | adjustable-rate loans        |
| handling loans with balloon payments (and interest-only loans) | loans, payments              |
| handling loans with negative amortization                      | amortization                 |
| making additional prepayments of principal                     | loans, payments              |
| changing the details of a loan                                 | loans, changing              |
| refinancing a loan   | loans, refinancing           |

### To learn about...

deleting a loan you've paid off or refinanced

### Search the Help Index for...

loans, paying off

tracking loans with semi-annual compounding

Canada, loan amortization

## Thinking about refinancing?

After you purchase your home, you may want or need to change the conditions of your mortgage. Refinancing costs money and time, so you need to weigh the costs against the expected benefits.

### Reasons to refinance

- You need to borrow more money. You can take out a larger mortgage and then use the extra money to remodel the kitchen or pay for your child's college tuition. Borrowing more against your home can make good financial sense because mortgage interest is generally tax-deductible and the interest rate tends to be lower than on personal loans. Just be sure you can afford the higher payments.
- If interest rates decline, you may be able to refinance and obtain a loan at a lower interest rate. Remember, when you refinance, you have to buy title insurance and pay the loan fees and points all over again. You need to figure out how long it will take to recoup the cost of refinancing, based on your new, lower interest rate and lower monthly payment.
- Sometimes it's to your advantage to switch to a different kind of mortgage. For example, if you have an adjustable-rate loan and interest rates have plummeted, look at refinancing it as a fixed-rate loan. Remember it's impossible to predict changes in interest rates.



You can use Quicken's Refinance Planner to figure out if you a new loan is more economical than your current loan.

Existing Mortgage  
Current Payment: 1,200.00  
Impound/Escrow Amount: 0.00  
Monthly Principal/Int = 1,200.00

Proposed Mortgage  
Principal Amount: 150,000.00  
Years: 30  
Interest Rate: 8.000%  
Monthly Principal/Int = 1,100.65  
Monthly Savings = 99.35

Break-Even Analysis  
Mortgage Closing Costs: 3,000.00  
Mortgage Points: 1.000%  
Total Closing Costs = 4,500.00  
Months to Break Even = 45.29

Calculate Print

Fill in the boxes in the planner. Quicken calculates how long it will take for you to break even if you choose to refinance.

## To display the Refinance Planner

Point to the Planning icon. Choose Use Financial Planning Calculators and then choose Refinance.

### Things to remember

- Refinancing may change your tax benefits. A lower interest rate means you'll have a lower monthly payment. This also means that you'll be able to deduct less mortgage interest on your tax return (less of a tax break for you). You'll probably still come out ahead, because the dollars you save in interest is probably greater than the increase in your tax bill.
- Refinancing points are not like purchase points. When you **buy** a home, the bank may charge points as part of the cost of the new mortgage. The government gives you a break—you can deduct some or all the points on that year's tax return.  
  
In general, when you **refinance**, the IRS doesn't allow you to deduct all the points that same year. Instead, you must spread out the costs of the mortgage over the entire life of the new loan. (See "Tracking refinancing costs in Quicken" next for details.)

**Tracking refinancing costs in Quicken** If you've refinanced your mortgage recently, you can use a Quicken asset account to track each year's portion of the points. At tax time, you won't forget to take the deduction, and you'll have an easy way to track how much you should deduct.

First, set up an asset account in Quicken and call it something like "Refinance Cost." Enter your total refinance costs as the opening balance, and use the date you refinanced for the date. Then create an expense category for the deduction. Give it an obvious name, like "Refinance," and mark it as tax-related. In the Form box, select **Schedule-A Points Paid**. Enter the deduction in the Refinance Cost asset account using the Refinance category.

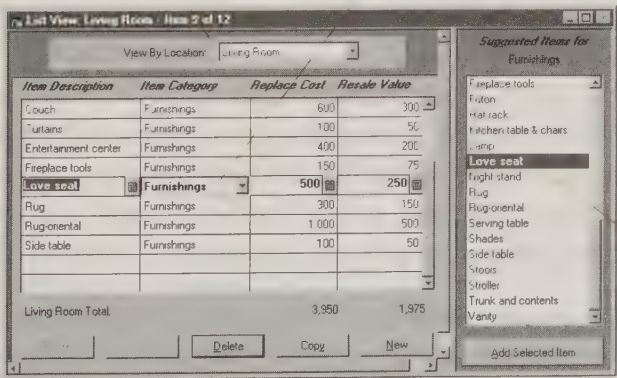
Each year at tax time, enter a transaction (or schedule one in advance) in your Refinance Cost asset account. Enter something like Refinance cost deduction in the Payee field. Put the amount of the deduction in the Decrease column and assign the transaction to the Refinance expense category.

## Figuring out the value of what you own

Whether you own a home or rent one, you've probably accumulated a number of valuable possessions over the years. Quicken Home Inventory can help you figure out the total value of what you own. Once you know this value, you can see whether your insurance coverage is adequate. Also, in case of catastrophe, a list of all your belongings and their value can help substantiate an insurance claim.

Select the room or location you want to inventory.

Then select an item category, such as electronic equipment. The Furnishings category contains the greatest variety of items.



Select items from the Suggested Items list, or add your own.

## To start Quicken Home Inventory

From the Features menu choose Planning. Then choose Quicken Home Inventory.

Once you've gone through the contents of your home and entered them in Quicken Home Inventory, store a backup disk and a printed report of your home inventory data in a fireproof box, or better yet, in a location other than your home. This safety measure can help you substantiate an insurance claim if your home is destroyed.

### Determining your insurance coverage

Let's say you've been putting money aside and have an adequate emergency fund. You've also invested wisely and you contribute to your company's 401(k) plan. Feel set for life? Are you prepared if the worst happens and you lose your home in a fire or other disaster? You could see your savings quickly disappear if you don't have adequate insurance coverage.

**A brief look at insurance** Review your current policy limits. To recoup the entire loss of your home, your policy must cover the **total replacement cost**. This cost is the amount it would take to rebuild the house after it is totally destroyed. And it's definitely to your advantage to insure your home and contents for at least 80% of their value. If you insure your home for less, and then incur a loss, your insurance company will prorate its reimbursement to you.

If you have the option, consider signing up for an inflation guard endorsement. It's a clause in your policy that increases the policy limits for your coverage by a specific percentage on a regular basis. For example, you may have your limits increased by 1% every four months to keep ahead of inflation. You still need to check your coverage every year. Construction costs may run ahead of inflation in your area. Also if you make any improvements or renovations to your home, you should take another look at your coverage.

**How Quicken Home Inventory can help** After you've entered your home and all your belongings, you'll need to record informa-

### To check your coverage with Quicken Home Inventory

In Quicken Home Inventory, from the View menu, choose Policy List. Then select Homeowner/Renter (or the policy you are assigning your belongings to). Click Edit. Enter all the information about your policy, including the full amount of your coverage in the Coverage field. Then click OK. The Policy list now shows the difference between your insurance coverage and replacement cost.

If this difference is positive, you're probably adequately covered; if the difference is negative, you're probably underinsured and need to consider purchasing additional coverage.

tion about your current insurance coverage. Once you've done this, Quicken Home Inventory shows you the difference between your insurance coverage and the replacement cost of your inventory items.

To see insurance coverage details, create and print an insurance coverage summary report.

**Need more information about insurance?** If you need information about insurance for your home, go online to InsureMarket, located on Quicken Financial Network, Quicken's financial marketplace on the Web. This resource provides insurance information, decision tools, and analysis. You'll also find current quotes for auto, home, and life insurance policies.

## Selling a home

When you sell your home, you can use Quicken to track all sale-related expenses.

Set up an expense category called "Home" and several sub-categories (see the accompanying table for suggestions) to track expenses that you can report on Form 2119, Sale of Residence.

| Category name     | Use for  | Link to Line item  |
|-------------------|--|--|
| Home:Sale price   | The total sale price to your buyer.  | Form 2119, Selling price of old home.  |
| Home:Sale fees    | Expenses associated with the sale of the house, such as bank fees and realtor's commissions. | Form 2119, Expense of sale.  |
| Home:House profit | The amount you realize from the sale of the house.   | Quicken doesn't include a line item for this category. It will be calculated by Turbo Tax. |

## To create an insurance coverage report

In Quicken Home Inventory, from the Reports menu, choose Insurance Coverage Summary.

## To get insurance quotes online

From the Online menu, choose Quicken on the Web. Then choose InsureMarket.

To use this feature, you need to have access to the Internet and you need to have set up Quicken for online features.



| Category name | Use for  | Link to Line item              |
|---------------|--|--------------------------------|
| Home Fixup    | Expenses for repairs necessary for your sale. Use this category for expenses that fit the IRS definition of a fixing up expense. The expense must be incurred within a specific period after you sign the sale contract. | Form 2119, Fixing up expenses. |

As you set up each subcategory, assign it to the appropriate line item on Form 2119.

You can set up a new category from the Category & Transfer list. From the Lists menu, choose Category/Transfer. Then click New.

Select the tax-related checkbox.

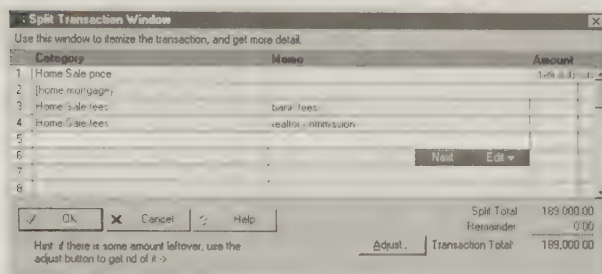
Choose the tax form line item here.

When you close the sale on your house, some of the money goes to pay off your old mortgage, some of it goes to your realtor, some for bank and title fees, and some to your bank account as profit. An escrow company usually takes care of distributing these funds.

For tax purposes, you want to track where all the proceeds go. If you have been tracking your loan and selling expenses in Quicken:

- Record a transaction in your Quicken checking register (or whatever account you choose to put the money in).

- Split the transaction to match the distribution of the money.



Here's a sample transaction.

First split line lists the full sale price assigned to "Home:Sale" category.

Second line transfers the amount necessary to pay off the mortgage to their mortgage liability account.

Third line assigns bank fees to "Home:Sale fees" category.

Fourth line assigns realtor's commission to Home:Sale fees.

- Next, delete your loan, since it's paid off. Quicken asks if you want to delete the liability account that tracked your loan. Don't delete the account, since you probably want to keep it for your records.
- Do close out the liability account that tracked the mortgage loan you deleted. After you record the sales transaction, this liability account's balance is zero. Close out the account by marking the opening and closing transactions as cleared. (Click twice in the **Clr** column, telling Quicken you *don't* want to reconcile.)

## Organizing all those papers

Store these items in a secure place, such as a safe deposit box:

- Deeds, title, survey map, title insurance.
- Homeowner's insurance policy.
- A copy of your home inventory on disk and an inventory detail report.

Videotape or take pictures of your furnishings (especially valuable antiques and jewelry) and include the video or photos with your home inventory information.

- Records of permanent home improvements you've made. (You can't deduct these at income tax time, but you can add them to your cost basis when you sell your home.)
- Payment records for the sale or purchase of a home. You'll need these at tax time and in the future, too.
- Warranties and service agreements.

You can track the whereabouts of all these items using Quicken's Emergency Records Organizer. For more details about this feature, see "Know where your records and policies are located" on page 16.

### To start Emergency Records Organizer

Point to the Planning icon and choose Organize Emergency Records. Select the Create/Update Records tab and enter information about your home records.

# “When can we afford to retire?”




How much will it cost to retire comfortably?  
Can you afford to send your children to  
college? Can you provide for yourself and your  
family at the same time?

---

Quicken Financial Planner makes it easy to create a plan for your financial future. It will help you plan for retirement, college for your children, future home purchases, and other major events. It lets you see how your finances will change if you save differently or retire early. Plus, it factors in taxes, Social Security, and investment risks!





**T**he key is to start now. If there is any magic in financial planning it is the power you can harness by saving and investing for the long term. Quicken Financial Planner can help you achieve your goals if you follow these six steps.

**Step 1. Start now.** The key to preparing for retirement is starting today. Start now, save regularly, invest prudently, and your savings will build.

**Step 2. Determine where you stand.** Before you decide where you are going, make sure you know where you are today. Quicken Financial Planner asks you questions to help organize what you know about your current financial situation.

**Step 3. Make your best guess about the future.** If you don't know where you'll be a week from now, let alone in ten years, relax. Quicken Financial Planner helps you pull together what you know about the future and helps you make informed estimates about what might happen in the long run. The program helps you estimate your future Social Security benefits, savings, and investment returns.

**Step 4. Create your financial plan.** Quicken Financial Planner uses the information you provide to project your income, expenses, savings, taxes, and investment returns into the future. It creates graphs and tables that show how your investments and other assets grow. You'll get a forecast for every year from now until the end of your retirement.

**Step 5. Fine-tune your plan.** Quicken Financial Planner lets you see how changing your retirement date, increasing your savings, or earning higher returns on your investments will affect your plan.

**Step 6. Put your plan into action.** Follow the detailed savings and investment schedule you create with Quicken Financial Planner. It shows you how much you need to save each month and the investment results you need to achieve your retirement goals.

## Make a plan

### QuickPlan or Full Plan?

Using Quicken Financial Planner, you can create a quick financial plan in as little as 15 minutes. Or you can spend several hours creating and polishing a plan that covers all your financial life. It's up to you.

Whether you choose to complete a Full Plan or a QuickPlan depends on how much time you can spend planning. Think of the time you spend creating your plan as an investment. You're not just creating a plan—you're taking the first steps toward gaining control of your financial future.

- Full Plan lets you enter all the details of your finances. You can enter your home, real estate, annuities, government pensions, life insurance, and hundreds of other items. It also includes additional details about your investments, and an itemized list of your holdings.
- QuickPlan simplifies planning by focusing on just a few key elements of your financial life. It asks how much you earn, save, and spend, and then uses a simple cash flow model to estimate your needs in retirement.

### Just say "Next"

Quicken Financial Planner is organized as a "tabbed" notebook. The easiest way to get around is by clicking the Next button at the bottom of most pages. This will step you through the plan, page by page.

After you become familiar with Quicken Financial Planner, you may find it easier to use the tabs. Select one of the tabs on the right side of the notebook to open a section. Then click a tab at the top of the notebook to open a specific workbook.

### To start Quicken Financial Planner

Double-click the Quicken Financial Planner icon on your desktop or choose it from your Start menu.

### To use the menu bar

From Quicken Financial Planner's menu bar, you can open graphs, reports, and tables that describe your financial plan.

## Saving your plan

Make sure you save your plan! Quicken Financial Planner does not do this for you automatically like Quicken does. From the File menu, choose Save.

It's also a good idea to make a backup copy. From the File menu, choose Backup.

## What do I enter?

Almost every page in Quicken Financial Planner includes a Help button. Click Help to answer questions about how and where to enter data or to find out about how the data you are entering will affect your plan.

The Expert Advice button links you to information about the concepts behind financial planning.

## Can I import from Quicken?

While you are making a plan with Quicken Financial Planner, you can import information from Quicken about your investments, mortgages and other loans, and expenses. Click the Import button when it appears in a workbook.

## Savings—common tax-deferred accounts

As described in “Contribute to retirement accounts” on page 37, contributing to tax-deferred retirement accounts is a very good idea. Depending on your employer, you may be able to enroll in one of the following types of tax-deferred retirement accounts:

### Note

Check with your current plan administrator to verify contribution limits.

**401(k) plan** These retirement plans are offered by for-profit companies. You can save up to \$9,500 per year as of 1997.

If your employer contributes to your account or matches what you contribute to it, you are even better off.

If you leave your job, have a direct transfer made to your new employer's plan or to an IRA, so the money never touches your hands. Look into keeping the money in your old employer's plan if it's a good one.

If you don't put your invested money in a rollover retirement account (or follow one of the suggestions above), your employer is required to withhold 20% for taxes. You can get this 20% back if you do eventually roll the money over, but

you will have to wait for the money until you file your tax return. You will also have to make up the 20% from other funds so that the entire amount distributed (including the 20% withheld) is rolled over. You may also be liable for additional income taxes and a 10% federal penalty on any money you do not rollover into a qualified plan or IRA.

**403(b) plan** These plans are offered by nonprofit organizations. You can save up to \$9,500 or 20% of your salary, whichever is less. Under some plans, employees who have been working for 15 years or more may be able to contribute a few thousand dollars above the limit. Check with your plan administrator for details.

**Individual Retirement Account (IRA)** You are eligible to contribute to an IRA in any year you earn a salary or have self-employment earnings.

If your employer doesn't offer a retirement savings plan, such as a 401(k) or 403(b), or your income is below a certain level, you can contribute up to \$2,000 to an IRA. (Even if you participate in a 401(k) plan or your income is too high, you can still put \$2,000 in an IRA—you just can't deduct it unless your adjusted gross income is below certain limits.)

You can set up an IRA for last year's income right up to the time you file your tax return this year (up to April 15th of the current year). You also have until April 15th to make contributions from last year's income; however, the earlier you make the contribution, the earlier you start collecting tax-deferred interest.

There is a new law in effect for 1997 which allows a non-working spouse to contribute up to \$2,000 to a spousal IRA. The combined earnings of the working and non-working spouse cannot be less than the total amount contributed to both IRAs and no more than \$2,000 can be contributed to either IRA.

### To learn how to track an IRA or Keogh in Quicken

If you want to learn how to track an IRA or Keogh account in Quicken, choose Index from the Help menu and enter *investments, setting up*.



Contributing to IRAs has some stipulations:

- You can't contribute more than you make in the year (with the exception of alimony). For example, if you work during the year and make \$1,000, that's the maximum you can contribute to your IRA unless your spouse works, then you may contribute \$2,000 to your spousal IRA under certain conditions. Obtain IRS Pub 590 for specific examples.
- If you have a pension or other retirement plan at work and your income is sufficiently high, the amount you can deduct may be limited.
- You can't contribute to an IRA after age 70-1/2.

**Simplified Employee Pension Plan, (SEP-IRA), SIMPLE Retirement Plan**

SEP-IRA and profit-sharing Keoghs are retirement plans for people who are self-employed. SEP-IRAs allow you to contribute up to \$22,500 or 13.04% of your net self-employment income (whichever is less). You decide each year how much you are able to contribute.

Money-purchase Keogh plans allow you to put away more—up to 20% of your net self-employment income (up to a maximum of \$30,000). To reach this maximum, however, a portion of your contribution needs to be fixed each year. Keoghs allow bigger contributions but they require more paperwork to establish and administer. Defined-benefit Keogh plans have no limit.

SIMPLE plans are new this year. They may be set up by certain small business and self-employed persons. They are IRAs with a maximum contribution of \$6,000 for 1997. They are not subject to some of the restrictions required of other pension plans and are not available if the business has any other type of qualified plan.

## Return—balancing risk and reward

The Return section helps you set a reasonable goal for your investment return before and after retirement. It helps you visualize the trade-off between risks and returns.

In investing, *risk* refers to the uncertainty or volatility of owning a specific investment. The risks you face include:

- Losing some or all of the money you originally invested.
- Earning profits one year but losing money the next.
- Having a company or industry you've invested in fall on hard times.

One way to reduce the chances of large losses in your investments is through *diversification*. That means buying bonds or stocks of more than one company in more than one industry. Investment professionals advise that a portfolio of about 20 securities is large enough to provide sufficient diversification for many investors. Perhaps the easiest way to diversify your investments is to buy shares in one or more mutual funds. Of course diversification is not a guarantee against a loss.

The *expected* returns you can select in Quicken Financial Planner range from less than 5.5 percent (very conservative) to over 10.0 percent (very aggressive). For each expected return between 5.5% and 10%, Callan Associates, Inc. provides a suggested mix of assets that in the past produced this return with *relatively low risk*.

As in all investing, there is no guarantee these portfolios will perform as well in the future as they have in the past.

### Before and after retirement

Many people's investment objectives change at retirement. They shift their goal from accumulating assets to generating income. Quicken Financial Planner enables you to set two separate investment objectives to reflect this change.

### Callan Associates

Callan Associates, Inc. is a privately held, independent investment consulting firm that provides a full range of consulting services to corporate pension and profit-sharing plans, multi-employer plans, endowments and foundations, public pension plans, high net-worth individuals, and independent financial planners.

To meet either your pre-retirement or retirement goals, you need to strike a balance between:

- The risks you are willing to accept.
- The returns you need to meet your objectives.

Quicken Financial Planner uses the returns you choose (both before and after retirement) to project the growth of your investments over time.

## What If—refining your plan

If you get to the end of Quicken Financial Planner and find out that your plan works, you might be tempted to skip the What If workbook. Don't. You'd be missing one of the most powerful features of Quicken Financial Planner.

**Red light?** If you get a red light, What If helps you make your plan work. What if you retire at 67 instead of 65? What if you earn 9 percent on your investments instead of 8 percent? What if you cut your spending after retirement by 20 percent? The answers What If calculates will guide you toward getting a green light.

Help also has some suggestions for making your plan work.

**Green light?** If you get a green light, What If helps you consider your options: Could you retire earlier? Save less? Select a decision and either change the value or ask Quicken Financial Planner to find the earliest retirement or smallest amount of savings that would still allow you to retire.

## Life insurance—an asset for your heirs

Life insurance creates an asset that *you* probably will never use. It is an asset you are creating for your dependents. Occasionally, people do tap into the value of their life insurance policies by taking out policy loans, withdrawing cash, or sur-

### Make your plan work

To find the value for a planning decision that will make your plan work, click the Solve It! button.

### See how changing a value will affect your plan

Select a planning decision from the register. Use the arrows next to the value you selected to change that decision. Click Recalc.

rendering the policy. But life insurance is primarily a way to protect the people you love in the event you aren't around.

In the Life Insurance workbook, you enter information about life insurance policies you currently own. Also, enter information about policies provided by your employer. If your employer pays the premiums, enter zero as the premium that you pay.

In the Insurance Needs workbook in the Action Plan section, Quicken Financial Planner helps you decide whether the life insurance you have now is enough.

## Implementing your plan in Quicken

If you want to implement your investment plan and track your investment performance in Quicken, do the following in Quicken Financial Planner:

- Make sure your current investments and savings you track in Quicken are represented in the Savings workbook.
- Print your savings and investment schedule.
- Note the rate of return you expect to achieve, and (if you want) the asset allocation mix suggested by Callan Associates.

In Quicken, do the following:

- Track your 401(k) contributions. See "Contribute to retirement accounts" on page 37.
- Set up scheduled transactions for savings and investing other than your 401(k).
- Use investment accounts (as opposed to asset accounts) to track your investments. That way you can assign them asset classes.

## Learn about life insurance

For details about types of life insurance policies, click Help in Quicken Financial Planner and then select Index. Type in the keywords *life insurance*.

## To get insurance quotes online

From the Online menu, choose Quicken on the Web. Then choose InsureMarket.

To use this feature, you need to have access to the Internet and you need to have set up Quicken for online features.



## To create an asset allocation graph in Quicken

If you've assigned an asset class to each security in your Quicken investment accounts, you can create an asset allocation graph.

From the Reports menu, choose Graphs. Then choose Investment Asset Allocation.

To assign an asset class to a security, display the Security list. Select the security name, click Edit and choose the asset class from the drop-down list. Do this for each security.

- Periodically calculate the return on your investments, to see if you are hitting your target. See "Tracking the return on your investments" on page 86.
- Create asset allocation graphs to see your investment mix. Does it match the mix suggested in Quicken Financial Planner? See "Do I have to use Callan's suggested asset allocation?" next.
- Make adjustments to your portfolio if the mix changes over time.

### Do I have to use Callan's suggested asset allocation?

You don't have to allocate your assets the way Callan suggests in order for your plan to work. However, your investments taken all together need to meet your target rate of return.

If you want to devise your own asset allocation mix—one you think will give you the rate of return you want—these sample allocations may give you some insight.

**Example 1: Alex** Alex is 30 and single. He wants to start aggressively saving for retirement. He's just starting to put money in his company's 401(k) plan. This plan has four investment options:

- a money market fund
- a bond fund
- a U.S. stock fund
- an international stock fund

What mix might Alex consider, if he wants to use something other than Callan's suggested mix?

- 80% in stock fund (33% of that in the international fund)
- 20% bond fund

**Example 2: Peter and Colleen** Peter and Colleen are each in their mid-40s and are on track to achieve their retirement goals. They want to invest for growth (for a secure retirement) as well as help their children with college costs. They've traveled abroad extensively and believe that tremendous growth opportunities are available overseas and want to invest aggressively in international funds.

What mix might Peter and Colleen think about?

- 75% in stocks or stock funds (divided evenly between U.S. and international stocks)
- 25% in bonds

**Example 3: Pat and Chris** Pat and Chris are both in their 50s. They are concerned about preserving their capital. They have sufficient assets (a house, a summer cottage, a few common stocks) and want to protect them. Growth is of secondary concern. They also have six month's worth of expenses in a money market mutual fund (since they are nearing retirement age).

What is a good investment mix for this couple?

- 50% bonds
- 50% stocks (with 20% in international stocks or stock funds)



200

100

200

# “How should I be investing my money?”



Are you ready to plunge in and start investing? This chapter provides some background information and a few suggestions to get you started.

---

Investing is not as complicated as you may think. You need to understand your goals and figure out what kind of return you need to achieve them. You need to know your time frame, your comfort in taking risk, and the best way to allocate your resources. This chapter is just the beginning; you're on your way.



**B**efore you roll up your sleeves and start planning your investments, you need to:

- Establish an emergency fund.

Have an emergency fund of three to six months' living expenses tucked away in a money market or other investment you can easily liquidate. For details, see "Are you covering the bases?" on page 24.

- Pay off your credit card debt.

Credit cards and auto loans carry relatively high interest rates (and are not tax-deductible); compare the interest rate you're paying on these debts with the after-tax rate of return you'll probably earn on your investments.

One Quicken tool that can help you manage and reduce your debt is the Debt Reduction Planner. For details, see "Reduce your debt" on page 30.

- Fund your retirement.

The beauty of a tax-deferred retirement account, such as a 401(k) or 403(b), is that your contributions are generally tax deferred at the federal and state level in the year you make them. The money in these accounts compounds over time without being taxed until you withdraw it.

Just look at the savings. Suppose that when you tally up your state and federal taxes, you're paying about 35% in taxes on your last dollars of income. If you can contribute \$3,000 to a tax-deductible retirement plan, you'll probably find that your tax bill decreases by about \$1,050. For details, see "Savings—common tax-deferred accounts" on page 66.

Once you've done these things, start thinking about and funding your other financial goals. Investing wisely may help you save for a down payment on a house, finance your kids' education, and enjoy a comfortable retirement.

## Getting started with investments

Your investment plan can be fairly simple. Think about the time frame in which you hope to achieve your goals, since the length of time you have in mind affects the type of investing you consider. Know your comfort level with different kinds of risk, and don't forget about taxes.

For instance, if you need a higher return because your time frame is short, you'll probably have to take greater risks. If you have a long investment time frame, you are in a position to take more risk.

### Balancing risk and reward

Some investments can fluctuate in value a great deal from year to year. If you put your money in a volatile investment, and it drops in value right when you need to sell it, you may take a loss.

Let's say you'd like to invest money to fund a down payment on a house. You want to cash in this investment in a couple of years, when you are ready to buy. Since your time frame is so short, a volatile investment, like stocks, may not be the best choice for you. You may be better off investing in money market mutual funds and CDs to invest for a short-term goal.

If you have small children and want to invest for their education, you'd choose a different investment strategy. To fund a long-term goal, you'd want to invest the majority of funds in stock mutual funds (index funds and growth funds) some in foreign stocks, and so on. Then as freshman year approaches, gradually move your investments to less volatile alternatives.

If you want to check how your college investment plan is working, use Quicken's College planner. Or, use the college planner in Quicken Financial Planner. It has estimates, from the College Board Annual Survey of Colleges Data Base<sup>®</sup>, of what it costs to attend any of nearly 1,700 colleges.

### To start the College Planner

Point to the Planning icon and choose Use Financial Planning Calculators. Then choose College.

## **Your need to take risk**

If the money you are investing for retirement grows too slowly, you may not be able to retire when you want or have the lifestyle you desire. As a minimum, you need to outpace inflation.

Let's say you put all your savings into certificates of deposit, or Treasury securities. After years of saving, you cash them in. You may be surprised at how little your money has grown. Taxes on your retirement account withdrawals take a huge bite and due to inflation, your money can't buy as much as it did when you started saving.

To reach your retirement goal, you may need to take more risk. On the other hand, if you're well on your way to achieving your goal, taking more risk than necessary may jeopardize your nest egg.

## **Your tax situation**

If you don't pay attention to the tax implications of your investments, you may overlook easy ways to maximize the return on your investment. For example, make sure you've contributed what you can to your retirement accounts.

If you're in a high tax bracket and have money to invest outside of retirement accounts, avoid taxable bonds, CDs, and other investments that pay taxable interest income. Consider municipal bonds that pay tax-free interest and growth-oriented investments, such as stocks, which pay low dividends.

Eventually you'll have to pay capital gains taxes when you sell. But your retirement tax bracket might be lower than your current one and current capital gains rate is only 28%. (At press time, a bill was pending in Congress which may change the capital gains rate. Check with your tax advisor.)

# Finding the right investments for your goals

## What about mutual funds?

You have two main options for investing in securities (like stocks and bonds):

- Research and buy individual securities.
- Purchase a mutual fund, which is a package of securities managed by an investment company.

## Investing in mutual funds has several advantages:

**Diversification** If you invest in individual stocks, a wise strategy is to hold stocks in different industries and different stocks within an industry. A good mutual fund invests in this way; it puts money in dozens of securities.

**Professional money management** Unless you have endless time and lots of money, you probably can't thoroughly research each investment. A mutual fund manager works full-time to select investments and monitors them continually.

**Cost effectiveness** Good money managers are expensive. Since mutual fund companies buy and sell large blocks of securities and often manage hundreds of millions of dollars, the cost of services is spread across all fund investors.

## What criteria should you use?

**Experience and track records** Look at the fund manager's track record and how long the manager has been in place. Review how the fund has performed over time (ideally over a five- to ten-year span). Some funds achieve high returns by taking great risks. The fund may sink in a down market, however. Look at the overall track records of the parent company offering the fund. Stick with fund companies that have a history of delivering many winning funds. Finally, look at the total assets the company has under management.



**Costs** Look at the fund's annual operating expenses and sales commission (also known as loads). These costs can lower your returns. Many excellent no-load stock funds charge 1% or less for operating fees annually. Many top bond and money market funds charge 0.5% or less per year.

**Actively vs. passively managed funds** Most funds are managed actively. This means a portfolio management team is researching and initiating trades to ensure that the funds hold securities with the best prospects.

In contrast, passively managed "index" funds invest in a relatively fixed group of securities that track a broad market index. For example, the Standard & Poor's 500 Index track the performance of 500 large U. S. company stocks. Index mutual funds, which mimic these indices, can be operated at far lower cost than actively managed funds, since these funds don't require a team to research and monitor securities.

### Where do I find all this mutual fund information?

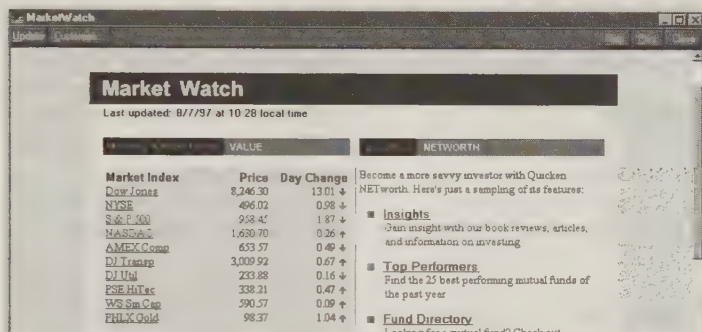
## To start Mutual Fund Finder

From the Features menu, choose Investments. Then choose Mutual Fund Finder.

Quicken's Mutual Fund Finder can help find some of the information you need to make sound investment decisions. Using data from Morningstar Inc., Mutual Fund Finder helps you analyze stock and bond mutual funds. You can create a list of funds that meet the risk and return limits you have in mind, see a detailed summary of each fund's performance, and understand a fund's fee structure. For some funds, you can view the fund's prospectus.

## Tracking the market

To review and track market indices, take a look at Market Watch. You can select the market indices you'd like to track. You'll also see your own investment account values, their change for the day, and how your accounts are performing, compared to the market. Through Market Watch you can link to an extensive set of tools for mutual fund searching and tracking.



## Viewing your investments in Quicken

After you have set up your investments in Quicken, you can view them in three ways: the investment register, Portfolio View, and Security Detail View.

- **Portfolio View** shows price and performance data for any and all the investments you track in Quicken, organized by *account*. (You can also group them by security, security type, investment goal, or asset class.)
- **Security Detail View** shows transaction and price data for a *single security*. Click News to read headlines for the latest new stories about that security.

## To go to Market Watch

From the Features menu, choose Investments. Then choose Market Watch.

## To customize Market Watch

From the Market Watch window, click Customize to change the items you see on the Market Watch screen.

To use Market Watch, you need access to the Internet and you need to set up Quicken to use online features.

## To set up an investment account

Point to the Investments icon and choose Enter a New Investment, and then choose I want to set up a new account.

For details about entering transaction in your investment register, choose Index from the Help menu and enter *investments*, *entering transactions*.

You can enter these common transactions from either the investment register or Security Detail View.

**To enter this transaction**

**Click EasyActions in the investment register or Security Detail View, and then choose this item**

|  |                            |
|--|----------------------------|
| Interest earned in the account                                 | Record an Income Event     |
| A dividend that's been reinvested in more shares of a security | Reinvest Income            |
| A capital gains distribution                                   | Record an Income Event     |
| A sale of shares   | Sell/Remove Shares         |
| A purchase of shares   | Buy/Add Shares             |
| A transfer of money into the account                           | Transfer Cash into Account |

Quicken displays forms that you fill in for each transaction. When you're done, Quicken records the transaction in the investment register. To see an example of an investment form, see "Use transaction forms for investments" on page 16.

Use the Memo field to indicate why you increased or decreased your position in a security.

| Date    | Action Memo        | Security | Price            | Shares        | Amount  | Comm/Fee         | Clr   | Cash Bal |
|---------|--------------------|----------|------------------|---------------|---------|------------------|-------|----------|
| 6/5/97  | BuyX               | ABC      | 5                | 10            | \$50.00 | \$0.00           |       | 0.00     |
|         |                    |          | [Jade Brokerage] |               |         | \$0.00           |       |          |
| 6/5/97  | MiscInc            |          |                  |               |         | \$40.00          | R     | 40.00    |
|         | Balance adjustment |          |                  |               |         |                  |       |          |
|         |                    |          | [Jade Brokerage] |               |         |                  |       |          |
| 6/20/97 | ReinvDiv           | ABC      | 20               | 2             | \$40.00 | \$0.00           |       | 40.00    |
|         |                    |          |                  |               |         |                  |       |          |
| 6/23/97 | Adjustment         | Security | Price            | Shares        | Amount  | Comm/Fee         |       |          |
|         |                    |          |                  |               |         |                  |       |          |
| Enter   | Edit               |          |                  |               |         |                  |       |          |
|         |                    |          |                  |               |         |                  |       |          |
|         |                    |          |                  | Market Value: | 280.00  | Ending Cash Bal: | 40.00 |          |

After you become familiar with how Quicken enters investment transactions in the register, you can type them directly in the register yourself, or continue using the forms.

#### To learn about...

handling common investment transactions

rounding off rules

reconciling an investment account

adjusting the cash or share balance of an investment account

entering the prior transaction history of a security

tracking securities you don't own

#### Search the Help Index for...

investments, transactions

round-off rules

reconciling, investment accounts

adjusting, investment account balances

investment accounts, historical detail

Watch List

## Updating security prices and market news

If you have access to the Internet, the quickest and easiest way to update prices of your securities is to retrieve prices online. Otherwise, you can easily enter prices manually from either the Portfolio View or Security Detail View.

#### To learn about...

entering current prices in Portfolio View

entering the price history for a security

#### Search the Help Index for...

updating, security prices

updating, price history

Whenever you enter a buy or sell transaction, Quicken adds the new price to the security's price history (and updates the calculations in the Portfolio View and Security View windows).

### To update prices and news online

Point to the Online icon and choose Get Online Quotes and News.

### To update prices only

In either Portfolio View or Security Detail View, click Update Prices, and then choose Get Online Quotes.

To use this feature, you need access to the Internet and you need to have set up Quicken for online features.

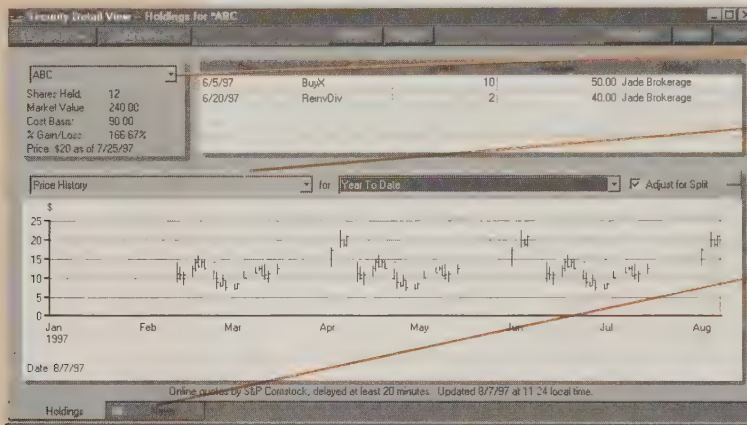


## Viewing a security's price history and market value graphs

### To display the Security Detail View window

In either the investment register or Portfolio View, click Detail View.

The Security Detail View window shows a price history graph based on the prices you have entered or downloaded for that security.



This lists all the transactions you've recorded for the security. Double-click a transaction to edit it.

Click here to display another security.

Click here to choose either a price history graph or market value graph.

Click here to view news headlines you've downloaded for this security.

As you hold down your mouse button and drag it left and right over the graph, price information for a particular day

appears at the bottom of the graph.

Press the Left or Right Arrow key to move to the previous or next day.

## Viewing how much your investments are worth

To answer the question "What are my investments worth?", you need to determine the *market value* of your investments.

**Example** John made the following transactions on stock ABC:

| On this date | John made this transaction  | At this price per share |
|--------------|---|-------------------------|
| 12/31/95     | Bought 100 shares   | \$10                    |
| 7/31/96      | Bought 50 shares  | \$15                    |
| 12/31/96     | Received a dividend of \$40, which he reinvested in two more shares | \$20                    |

John’s market value in stock ABC as of 12/31/96 is:

market value = number of shares you own × current market price per share  
= 152 shares × \$20/share  
= \$3,040

There are several ways to see how much your investments are worth:

- View your market value in Portfolio View.
- Create a portfolio value report.
- Create a net worth report.

Viewing your market value in Portfolio View

Portfolio View shows all securities in all investment accounts. You can also view your securities by type, goal, asset class, or security name. You’ll find these choices on the Group by drop-down list.

Group by list

If you’d like to rearrange the columns or add new columns, such as ROI, or Average Cost, click Customize.

The market value includes any cash in the account (unless you set up your investment account to have an accompanying linked checking account).

The screenshot shows a window titled "Portfolio View" with a menu bar containing "Update Prices". Below the menu bar are three dropdown menus: "Group by:" set to "Account", "Prices as of:" set to "12/23/97", and "View:" set to "Holdings". The main table displays the following data:

|                | Name   | Price  | Shares | Mkt Value  | Cost Base  | Gain/Loss |
|----------------|--------|--------|--------|------------|------------|-----------|
| Investment     |        |        |        | \$1,287.50 | \$1,250.00 | \$37.50   |
|                | intuit | 25 3/4 | 50     | \$1,287.50 | \$1,250.00 | \$37.50   |
|                | Cash   |        |        | \$0.00     |            |           |
| Jade Brokerage |        |        |        | \$280.00   | \$90.00    | \$150.00  |
|                | ABC    | 20     | 12     | \$240.00   | \$90.00    | \$150.00  |
|                | Cash   |        |        | \$40.00    |            |           |
| Totals:        |        |        |        | \$1,476.88 | \$1,340.00 | \$96.88   |

Creating a portfolio value report

The portfolio value report provides the same totals as Portfolio View, except you can subtotal by security type, goal, or asset class. For example, you can create a portfolio value report subtotaled by investment goal.

To go to Portfolio View

Point to the Investments icon and choose View My Portfolio.

To create a Portfolio value report (subtotaled by goal)

From the Reports menu, choose Investment and then choose Portfolio Value. Click Customize. For Subtotal By, choose Investment Goal. Then click Create.

## Viewing your net worth

### To create a net worth report

From the Reports menu, choose Show Me a Graph of Report of my Finances. Then choose "What am I worth?"

To see how your investments contribute to your total net worth, create a net worth report.

If your investments don't appear on the net worth report, click Customize, and then click Accounts. Make sure your investment accounts are selected, and then click Create.

## Tracking the return on your investments

Quicken offers two measurements of return: return on investment (ROI) and internal rate of return (IRR).

**Example** Let's review John's transactions on ABC stock:

| On this date | John created this transaction                                       | At this price per share |
|--------------|---|-------------------------|
| 12/31/95     | Bought 100 shares   | \$10                    |
| 7/31/96      | Bought 50 shares  | \$15                    |
| 12/31/96     | Received a dividend of \$40, which he reinvested in two more shares | \$20                    |

**Return on investment (ROI)** ROI shows the total profit he could make from a security if he sold his shares today. It is equal to dollars returned divided by dollars invested in the security.

*\$ return* is the total profit he's made from a security since he started investing in it. This includes the current market value plus cash received from sales of shares, minus \$ invested.

*\$ invested* is the amount he has invested in a security, excluding reinvested income.

### TIP

The performance numbers on your brokerage statement may not match Quicken. It's probably a timing issue; the information your broker sends may not be as current as Quicken.

### To see complete descriptions of ROI and IRR

From the Help menu, choose Index and enter ROI, return on investment.

John’s \$ invested in stock ABC from 12/31/95 to 1/4/97 is

---

|             |                         |
|-------------|-------------------------|
| \$ invested | = (100x 10) + (50 x 15) |
|             | = \$1,750               |

---

John’s \$ return in stock ABC from 12/31/95 to 1/4/97 is:

---

|           |  |
|-----------|--|
| \$ return | = current market value + cash received from sale of shares- \$invested |
|           | = \$2,376 + 360 – \$1,750  |
|           | = \$986  |

---

John’s ROI in stock ABC from 12/31/95 to 1/4/97 is:

---

|     |                           |
|-----|---------------------------|
| ROI | = \$ return / \$ invested |
|     | = \$986/ \$1,750          |
|     | = 56%                     |

---

**Internal rate of return (IRR)** IRR is a percentage equal to the interest rate on a bank account that would give you the same total return on your investment. IRR is also called *average annual total return*. Review these examples:

- If a mutual fund lists its one-year average annual total return as 20% and you invest \$100 in that fund, you’d have \$120 by the end of the year.
- If a mutual fund lists its three-year average annual total return as 20%, and you invest \$100, you’d have \$172.80 (an increase of 72.8%) at the end of three years:

---

|          | Ending balance |
|----------|----------------|
| 1st year | \$120.00       |
| 2nd year | \$144.00       |
| 3rd year | \$172.80       |

---



.....

## To see a sample investment income report

From the Help menu, choose Index and enter *investment reports, samples*.

## To see a sample capital gains report

From the Help menu, choose Index and enter *investment reports, samples*.

| To learn about...          | Search the Help Index for... |
|----------------------------|------------------------------|
| other investment reports   | investment reports           |
| investment graphs          | investments, graphs          |
| investment terms           | investments, terminology     |
| other performance measures | Portfolio View, columns in   |

To get meaningful graphs and reports, you need to enter your transactions with care and categorize them properly.

## Tracking capital gains and taxable investment income

Quicken provides tax reports that let you track your capital gains and taxable investment income. You can use the reports to manually complete your tax forms, or you can export your data to tax software programs, such as TurboTax.

The capital gains report lists your long-term and short-term capital gains transactions in a format suitable for Schedule D.


# “Can I make legal documents?”



Many of the most common legal documents don't require an attorney to be valid. That's why Quicken Family Lawyer Deluxe makes so much sense.

---

You can prepare your own wills, powers of attorney and more in the privacy of your home or office, without attorney fees. It's reliable and customized to meet your state laws.



**Q**uicken Family Lawyer gives you 88 legal documents you can personalize to address your unique needs and circumstances. Entering all that personal information is easy, because Family Lawyer guides you through an interview, asking questions in language you can understand. It checks everything for missing or incomplete information, making sure the documents are valid.

The documents include:

- General, special, and health-care powers of attorney and revocations
- Bill of sale for motor vehicle
- Commercial and residential real estate leases
- Home buying and selling worksheets
- Premarital (prenuptial) agreement
- Living will and revocation
- Childcare authorization and instructions
- Individual and joint living trusts
- Promissory note
- License agreement for small businesses
- Medical records request

### **Which documents do I need?**

Family Lawyer has a Document Advisor that asks a few questions and then creates a list of suggested documents you should consider creating. You create only the ones you want.

### **What if I have a question?**

Harvard Law Professor Arthur Miller (featured on ABC's Good Morning America) answers some of the most commonly asked legal questions. Onscreen Help is always available to explain legal terms and how to use the program.

## What if I want to make changes to a document?

You can use a built-in editor, complete with spelling checker, to modify any of the documents you produce.

## Make yourself an informed legal consumer

Gain a better understanding of your legal rights and responsibilities at home, at work, and at play with the American Bar Association Family Legal Guide. It uses a straightforward question-and-answer style format, and covers the whole spectrum of issues addressed by our legal system, like:

- Disputes between neighbors
- Your liabilities if someone has an accident on your property
- How to correct an inaccurate credit rating
- Validity of contracts with companies that go out of business
- Your rights when you're stopped for a traffic violation

## Plan, protect and secure your estate

You may not realize it, but you have an estate—and you need more than a will to fully protect and secure everything you own. The documents suggested by an estate plan will shield your family and loved ones from unexpected taxes, unnecessary insurance, and underestimated health and eldercare expenses.

Quicken Estate Planner interviews you about your finances, goals and background, and builds an action plan based on your specific needs. The plan includes analysis, checklists, and suggests legal documents. You can export the estate information to Quicken Family Lawyer.

## What's in Deluxe?

Quicken Family Lawyer  
Quicken Estate Planner  
American Bar Association  
Family Legal Guide  
The Plain-Language Law  
Dictionary

## What's an estate?

Almost everyone, married or single, with children or without, has an estate. It includes your cash, investments, vehicles, owned residence, life insurance and retirement accounts.



You can also learn about estate planning finances, minimizing taxes, accounting for health and eldercare issues, insurance needs, avoiding probate, the differences between a will and a trust, and more.

### **Isn't a will all I need?**

No. Drawing up a will is an important part first step toward making sure your wishes will be legally carried out. But most people need to make decisions that aren't covered by a will—such as healthcare directives, life insurance, trusts and estate administration, to name just a few.

### **Are estate plans just for older people?**

Definitely not. No one knows what tomorrow will bring. It's never been more important to be prepared today for peace of mind and security tomorrow.

## **Plain-Language Law Dictionary**

Don't be stumped by "legalese." The Plain-Language Law Dictionary makes it easy to interpret and understand your legal documents. It has definitions for 6,500 legal terms, phrases, and procedures.

# “How do I contact Intuit?”

Do you need to know how to do something in Quicken? Are you running low on Quicken checks? Would you like to apply for online financial services but don't know how?

---

Intuit supports fax, phone, and Web-based services that deliver the information and products you need. Visit our Technical Support website for answers to your questions, shop the Web for software, supplies, and Quicken checks, or call our toll-free numbers to sign up for online financial services or the Quicken Credit Card. To find out which option is right for you, see the listing on the following pages. Business hours, unless otherwise noted, are seven days a week, 24 hours a day.

## Product support

### Quicken Help

- Quicken's Help system is the fastest and easiest way to get an answer when you have a question about Quicken. Choose Index from the Help menu, and then type the words that describe your question.

### Product Support on the Web

- Quicken's Web page provides easy access to Quicken-specific information, including updates, utilities, and answers to common questions.  
<http://www.intuit.com/support/>

### Fax on Demand and Automated Technical Support

- Use our fax and automated technical support services to find answers to the top Quicken for Windows questions.  
**Fax on Demand** 800-644-3198  
**Automated Technical Support** 800-644-3193

### Technical support for Quicken for Windows

- Talk to a Quicken representative.  
**Quicken for Windows Technical Support** 520-618-7101  
Monday - Friday, 6 am to 6 pm Pacific time.  
Extended hours from 12/29/97 to 4/15/98:  
Seven days a week, 6 am to 11 pm Pacific time.

### Technical Support for online financial services

- First, check to see if the problem is being caused by your Internet Service Provider (ISP) connection. If it is, call them directly. If not, click the Contact Info button in the Online Financial Services Center in Quicken and call the appropriate number.

### Customer Service for CheckFree

- If you use CheckFree and a problem occurs *after* you transmit your transactions to them, call this number. For all other problems, call Quicken for Windows Technical Support.  
**CheckFree Customer Service** 800-297-3180  
Monday - Friday, 8 am - midnight Eastern time

### CreditCheck Service by ConsumerInfo.Com

- Call this number if you have questions about membership, billing, credit report delivery or content of your credit report.  
**ConsumerInfo.Com Customer Service** 888-888-8553  
Monday - Friday, 6 am - 6 pm Pacific time  
You can also visit the following Web site:  
<http://www.ConsumerInfo.com/>

## Placing orders

### Shop the Web

- Purchase Intuit software and services at:  
[http://www.intuit.com/quicken\\_store/](http://www.intuit.com/quicken_store/)  
Purchase Intuit checks, envelopes, and other supplies at:  
<http://www.IntuitMarketPlace.com/>

### Quicken Checks Customer Service

- Save time and get the most out of your software with Quicken checks. Please refer to the enclosed catalog for more information about ordering checks and other financial supplies. For additional information or to place your order:  
**Call from the U.S.** 800-433-8810  
Monday - Friday, 5 am - 8 pm Pacific time  
Saturday, 7:30 am - 1 pm Pacific time  
**Call from Canada** 800-268-5779  
Monday - Friday, 8 am - 8 pm Eastern time

### Intuit Direct Sales

- The Sales Department is available to take product orders and provide basic product information.  
**Call from the U.S.** 800-446-8848  
Seven days a week, 24 hours a day  
**Call from Canada** 403-440-5952  
Monday - Friday, 8 am - 5 pm Mountain time  
**Overseas Sales:**  
**Phone** 520-295-3220  
**Fax** 520-295-3208

### Intuit Customer Service

- The Intuit Customer Service department provides after-sale, non-technical services such as tracing undelivered orders, providing replacement disks, and answering billing questions. Hours are subject to change.  
**Call from the U.S.** 800-446-8848  
Monday - Friday, 7 am - 7 pm Pacific time  
**Call from Canada** 403-440-5952  
Monday - Friday, 8 am - 5 pm Mountain time  
**Overseas Service:**  
**Phone** 520-295-3220  
Monday - Friday, 7 am - 7 pm Pacific time  
**Fax** 520-295-3208

## Getting started with online financial services

### Apply for online financial services

- You will need an Internet Service Provider (ISP) to use these services. To apply for the online banking service (which includes online account access and online payment) or the online investment tracking service, point to the Online icon and choose Get Started with Online Financial Services. Then click Apply Now. Look for your financial institution in the list to see if it offers these services. You'll also see a phone number to call for further information about a particular service, such as any fees that may be charged. You can apply over the Internet or by phone. If your financial institution is not listed or if you don't have an ISP, call our hotline for an up-to-date list of participating financial institutions.

**Online financial services hotline** 800-224-1047 ext. 500

### Apply for online payment with Intuit

- If your financial institution doesn't offer online financial services, you can apply for online payment through the Intuit Online Payment service using your existing checking account at a U.S. financial institution. To apply for online payment, point to the Online icon and choose Get Started with Online Financial Services. Then click Apply Now. In the Financial Institutions list, choose Intuit Online Payment and follow the onscreen instructions.

### Apply for a Quicken Credit Card

- The Quicken Credit Card is a Visa Gold card offered through Intuit and Travelers Bank. The online account access service is available, plus an optional Traveler-Miles program.  
**To apply for a Quicken Credit Card call** 800-442-4939  
Call the following number if problems occur while downloading your credit card transactions into Quicken.  
**Technical Support** 520-618-7293

### Online financial services application and setup problems

- First check with your financial institution to verify that your account information is correct, then call Quicken for Windows Technical Support.

## Product support (continued)

### Quicken Financial Planner

- Check for program updates and the latest information about Quicken Financial Planner on the Web at:

<http://www.intuit.com/support/>

If you would like to talk to a Quicken Financial Planner representative, call:

**Quicken Financial Planner**

**Technical Support**

**520-618-7271**

Monday - Friday, 6 am - 6 pm Pacific time

### Quicken Family Lawyer Deluxe

- Check the Web for the most frequently asked questions concerning Quicken Family Lawyer Deluxe.

<http://www.parsonstech.com/support/>

Or talk to a Quicken Family Lawyer Deluxe representative during our business hours.

**Quicken Family Lawyer**

**Deluxe Technical Support**

**319-395-7314**

Monday - Friday, 8 am - 7 pm Central time





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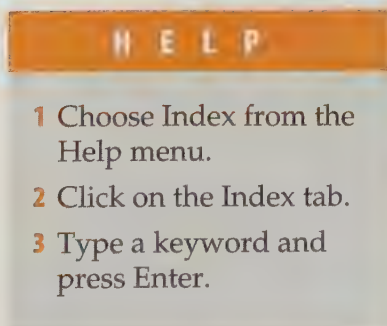
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- 2 Click on the Index tab.
- 3 Type a keyword and press Enter.

















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